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HOUSE OF COMMONS

Monday, February 6, 1995

The House met at 11 a.m.

Prayers

[*Translation*]

VACANCY

SAINT–HENRI—WESTMOUNT

The Speaker: It is my duty to inform the House that a vacancy has occurred in the representation, namely, Mr. Berger, member for the electoral district of Saint–Henri—Westmount, by resignation on December 28, 1994.

[*English*]

Pursuant to subsection 25(1)(b) of the Parliament of Canada Act, I have addressed on Wednesday, December 28, 1994 my warrant to the Chief Electoral Officer for the issue of a writ for the election of a member to fill this vacancy.

* * *

POINT OF ORDER

SPEAKER'S RULING

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, prior to the Christmas recess I made some unacceptable comments on a decision that the Speaker made, which I appreciate in the traditions of Parliament were inappropriate. I suggested some motives which was also inappropriate. This morning I wish to apologize for any problems that those remarks might have caused you, Mr. Speaker, and withdraw those remarks.

The Speaker: I accept, of course, the explanation of the hon. member for Kamloops.

I remind all hon. colleagues that any reflection on the decisions of the Chair cause problems for us as a House of Commons. I encourage hon. members to be very careful in any remarks they make either inside the House or outside.

• (1105)

After all I am a servant of the House and I am a servant of each and every one of you as members of Parliament. As such, any words said that could in any way detract not so much from me but from the Chair itself, and the institution, are not acceptable to the House.

I do thank the hon. member for Kamloops for his words. I accept them and I consider the matter to be closed.

PRIVATE MEMBERS' BUSINESS

[*English*]

CANADIAN POTATO MARKETING ACT

Mr. Vic Althouse (Mackenzie, NDP) moved that Bill C–266, an act respecting the orderly marketing of potatoes, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I am proposing a private member's bill today that would have the effect of creating a national marketing agency for potatoes.

As I go through the reasons for the bill members will see that probably there are simpler ways of dealing with this problem. However because Parliament in the past 20 years has been loath to adopt a simpler way and has forced the dealing of national agencies commodity by commodity, I am following that process.

During the course of my remarks I will point out a simpler way. First let us recall that marketing boards are a relatively new method of dealing with the bargaining power vis–à–vis sellers and buyers. It dates back to the 1930s when New Zealand, Australia and the United Kingdom brought in marketing board legislation. Canada followed shortly thereafter with its first major marketing board, the wheat marketing board, introduced by a Conservative government in 1935.

The wheat board still exists. It has only undergone a few minor amendments and changes in the intervening years. Numerous provincial boards and agencies exist across the country with only a handful of agencies operating on a national basis. Chicken, turkey, eggs, hatching eggs and dairy products join wheat and barley, and western wheat and barley at that, as products marketed by national marketing agencies.

I argue this is a very slow progress. Agricultural producers are being forced to adopt very ancient means as private individuals in what has become a huge international market. Buyers have control in dozens of countries, being the principal buyers, and

the bargaining power between the buyers and sellers is not even close to equal.

Even though some people might argue that the new information technology permits people on farms to link into the latest marketing information. Information alone does not provide those farmers with the ultimate marketing power that they require, namely, to be able to fill a whole shipload of a product and to provide hundreds of boxcar loads of the product to a particular purchaser in the required time, of the required volumes and grades necessary. Only an agency acting on behalf of all of the producers can hope to perform that function.

The fact that information is a little faster now than it was in the 1930s does not address the real problem of marketing, which is the ability to put together large amounts of product to fit the needs of the very large corporate buyers that are buying internationally these days.

• (1110)

In the 1970s Parliament had an opportunity to put a bill before the country that would permit the various provincial marketing boards. These have to be put together on a provincial basis because, as members know, agriculture production is under the aegis of the provinces in our Constitution.

It is only when the product is marketed across borders that the federal sphere is infringed on and federal rights are taken into account. Therefore provincial marketing boards that wish to market product that is handled by a marketing board in another province have to apply to the federal jurisdiction for the power to go beyond their borders.

This is usually granted relatively simply. However it does not take away the problem that exists for all commodities not already under a national plan of competing one province against the other.

I was involved in the early 1970s in putting together a marketing board for hogs in the province of Saskatchewan. It was at about the same time that similar boards were put together in Manitoba, Alberta and British Columbia. They each followed the example of Ontario a few years previous to that.

We had worked very hard to come together as those four western provinces to offer hogs to foreign and domestic buyers over one desk. We had political agreement. We had agreement from the farmers involved. Yet when the final signatures were required on all the multitude of agreements that this required, the heads of each of the boards found it very difficult to put their signatures to paper because that would have seen the demise of at least three of the positions. We do not need four presidents in order to run one regional marketing board. It fell down at that level.

We need some federal guidelines and federal guidance if we are going to be able to achieve the coming together that is required if producers of the various commodities are going to be efficient and useful in meeting the market trends that are out there right now.

The marketing board concept is really not much different for those who are interested in history of marketing than the power the state gave four and five hundred years ago to corporations. It is a power that over time has been granted to corporations simply on application.

Even up to 30 or 40 years ago to strike a new corporation, the provisional board of directors had to come to the House of Commons and the Senate in order for that corporation to be set in motion and to be created. That has not been the case for many decades.

Yet in order for farmers to form an organization that would have similar powers in the marketplace, this ancient institution still requires that a special bill be prepared and that special requirements be made. We still have to be very cognizant of the federal–provincial powers. We have to go through the process of proposing, as I am, a shell of an agency that would be able to function nationally that the provincial agencies can link into.

Passing this legislation would not instantly create a national marketing agency. It would only be an effective national agency when the provincial marketing boards decide to avail themselves of the powers that are there in the federal act which would be passed.

• (1115)

This slow, cumbersome process could have been sped up if in the early 1970s when the farm products marketing councils were established, and the national farm products marketing act which brought those agencies into effect had permitted the usage of national legislation for all farm products. However, there was some agitation on the part of mainly Alberta cattlemen concerning rights to establish an agency that would include management of supply, which is only a normal thing for any marketing agency.

Ask General Motors, Ford or Beatrice Foods. Any of the big players always have a good handle on their supplies. They are manufacturing the product. They make certain they do not manufacture or process more than they have sales for. They make certain they are able to manage the product so it arrives at the customer's door on the day the customer wants it; not later, not sooner, right on time. This is the kind of service the marketing boards have performed and can perform for producers who are part of a marketing agency.

The problem with the provincial agencies is that they often are not large enough to meet the kind of bargaining conditions of the corporations they deal with. Most of the processors and handlers of potatoes are huge international conglomerates. They have access to markets all over the world. When dealing with a

little potato board from Prince Edward Island or Manitoba the farmers very quickly find that they do not have very much clout when it comes to dictating terms of price and terms and conditions of how many potatoes will be produced, how they will be produced and what price the processor will pay for them. The people who are handling fresh potatoes to supermarket also have extremely large bargaining clout in that there are very few supermarket chains across North America that the producers must face on a day to day basis.

The marketing agency can provide the management of the product to the final destination on time and at the most beneficial price to the producer rather than always at the behest of the various buyers who can very quickly take advantage of a day when individual producers through their own unco–ordinated activities may be offering—usually they are offering—far more product on any given day than the system needs. Therefore they are always accepting a much less than optimal price because they are presenting for sale far more product than they are able to sell and deliver. As far as the buyer is concerned that surplus of product is always available to them. They take advantage of that, keeping the price lower than it would otherwise be.

Management of supply is more possible under marketing boards. I would note that we have other ways of managing supply. Notable and somewhat ironic, given their long opposition to any legislation that would permit supply management for all general farm products including beef, are the official cattlemen associations based in Alberta and to a certain extent in southwestern Saskatchewan. They have always argued that they are free marketers, that they do not want to have anything to do with supply management. It is ironic and somewhat instructive to note that they are probably one industry that has been very effective at controlling supplies into North America, particularly the Canada–U.S. markets. They have managed by other means to put political pressure where it matters and have limited on a consistent basis the amount of imports, whether from Ireland and the European economic community or whether from New Zealand and Australia. By setting quotas on those imports they are indulging in supply management.

• (1120)

The advantages of the seller versus the buyer are being eschewed by cattle producers in most areas right now. For some time there was a very effective marketing agency in Saskatchewan that was strictly voluntary where producers could market through the beef marketing commission and that gained quite a lot of acceptance and approval. However, for political reasons that was struck down by the government of Grant Devine a few years ago. Farmers are now back in the business of negotiating their own prices each day. They find, when they compare notes, that they are not being treated equitably for the same day's market.

I found when I began drafting this legislation that the simplest answer would have been to amend the Natural Products Marketing Act so that we pull out the sections the cattlemen insisted on being in there in the early 1970s which would have had the effect of permitting all fruits, vegetables, tobacco, farm products, honey, meats, cereals and oilseeds. Every farm product would have been the simplest solution but I was told that this would somehow impinge upon the royal prerogative because a small section of that act permits the government to finance such new agencies. Private members do not have the privilege of establishing a law or adding to a law that would perhaps cost the government some money out of the consolidated revenue fund.

I have had to resort to setting up what is, I admit, a shell agency that has no funds. It would simply exist and be funded by producers as the provincial agencies decide to become part of a national agency and use this as a forum or beginning again a debate as to whether producers of potatoes would have some benefit by using a national marketing agency.

This has been a program that many producers have engaged in several times in the last couple of decades. In the early 1970s there was a determined effort to put together a national marketing agency for potatoes. The legislation was being worked upon. The plan was being worked upon. A very detailed proposal was put forward. Somehow it fell apart. Twice since that time similar efforts have gone forward, only to be stopped at the political level.

I wish the new group of parliamentarians in the House now—almost 200 people who have never been here before—would again think about the issue, look at the possibilities here and bring agricultural marketing into the 20th if not the 21st century and bring us up to date with the corporate sector which for more than 500 years has had the ability to simply go to government and get immediate acceptance for its application to allow many people to come together under one agency and take advantage of all of the benefits that such a coming together reaps.

By persisting on keeping the old National Products Marketing Act which was flawed from the beginning on the books would be something like going back in time and saying corporations can be established but only to gather and market furs, because in Canada the Hudson Bay Company was one of the first corporations to function on our soil even though the idea of a corporation had existed in Europe some time before.

• (1125)

It is time for us to be brought up to date to permit our farmers to use all of the tools that their competitors and their opponents in the market have. I would urge members of Parliament to

consider giving that right to farmers to form national agencies for all products, but specifically here today for potatoes.

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food, Lib.): Mr. Speaker, I certainly appreciate the opportunity to make some comments on Bill C-266 before the House this morning, presented by the member for Mackenzie.

The comments I will make are as a result of a discussion with the Minister of Agriculture and Agri-food on the matter of this bill and also as a former potato grower myself for a few years.

Bill C-266 is a well intentioned proposal to promote the orderly marketing of potatoes in Canada. I do not believe this bill is needed or wanted by the industry. The potato industry is one that has made great strides over the last few years. It is developing workable processes to resolve major issues at a national level and to take control of its own future.

Last fall I had the opportunity to speak to the potato growers of Alberta at their annual meeting. I can assure this House that at the meeting and in a small discussion with the executive of the potato growers of Alberta there was no one in the general meeting or the executive of that very vibrant organization who even mentioned supply management as a goal of their industry.

This is not to say that the idea had never come before the industry previously. Twice in the past number of years the potato industry has examined it and the possibility of federal legislation during the 1980s and earlier in the 1970s. On both occasions it was unable to come to a workable consensus within the industry.

This bill would create a Canadian potato marketing commission that would act, quoting from the bill, as the sole agent for all imported potatoes and all potatoes produced in Canada. This commission would also have extensive powers including the buying, storing and selling potatoes.

When the potato industry was seeking national agencies in the past its major objectives were to stabilize prices and to remove surplus so that it could continue to market its product in an organized fashion; in other words, to maintain traditional markets at traditional prices. It did not want an agency that would control its marketing.

Through all the troubles in recent years the industry has strengthened its infrastructure nationally with the formation of the potato committee executive of the Canadian horticultural council in 1992. That committee has begun dealing directly with issues affecting the industry in Canada. The committee has taken on a big responsibility.

I am confident that the industry and the provincial government representatives on the potato committee executive will continue to deal successfully with future problems and they will mature even further in their decision making. This maturing process will lead to a further strenghthening of the potato industry at a national level and the development of sound, strategic directions for the industry to follow in its production and marketing endeavours.

Bill C-266 would restrict production and marketing of potatoes to producers holding permit books and would prescribe delivery points and quotas.

Potatoes are a very perishable product. They have to be marketed in a timely and efficient manner to meet good delivery standards. The responsibility for good shipping and handling conditions must remain as much as possible between the producer and the receiver.

In recent years the industry has had to deal with many issues and some of them have not been pleasant to deal with. There have been overproduction, low prices, drought, PVY-n, late blight and various other issues which have seriously affected the marketing of potatoes both within Canada and in our export markets. Despite these difficulties potato production in Canada keeps reaching new peaks with records being set in various parts of the country every year. Across Canada this industry is becoming more and more aggressive, strengthening existing markets and developing new ones with strong returns to producers. Our potato industry today is very healthy. It will continue to be healthy as it competes effectively in open markets around the world.

• (1130)

In addition our government is a promoter of free trade. A quota system for the marketing of potatoes would only erect more barriers to trade in Canada and with our trading partners.

I just want to remind everyone again that the potato industry in Canada is making great strides in increasing production, increasing revenues and expanding its markets worldwide. The industry has developed an infrastructure that meets its needs at the provincial and national levels and is becoming even more aggressive in finding its own solutions to its own concerns.

The industry, I repeat, has shown no visible support for the proposal contained in Bill C-266. Until the industry identifies the need for further national legislation to accomplish its goals I see no reason to proceed any further with Bill C-266.

[*Translation*]

Mr. Jean-Guy Chrétien (Frontenac, BQ): Mr. Speaker, I was somewhat intrigued by Bill C-266, the bill before the House today.

This is the first time we have an opportunity to deal with the agricultural sector as it affects potato producers. The purpose of

this bill, introduced by the hon. member for Mackenzie, is to ensure the orderly marketing of potatoes, having due regard to the interests of producers as well as consumers.

At first, I thought a bill that introduced changes in the marketing system as it affects producers and consumers was entirely justified. Since I am not an expert, however, I decided to get in touch with a number of agencies and potato producers to find out what they had to say. In fact, I met a dozen potato producers in Quebec and several in New Brunswick, who were astonished that a federal member would bother to call them and even go to see them to find out what they wanted, and who thanked me for taking the trouble.

I wanted to make sure this bill faithfully reflected the needs of this particular sector. People actively involved in this agricultural sector were quick to explain that the changes proposed in Bill C–266 did not suit them at all.

Before deciding how to change existing procedures, we must understand the forces at work in the current potato marketing system. Apparently, there are no national regulations on potato prices. This means that the market is controlled by interprovincial marketing decisions. In other words, the provinces are self regulating.

At this point, perhaps I may recall that four years ago in New Brunswick, the fall harvest was exceptionally abundant. To maintain potato prices, the provincial and federal governments and the New Brunswick association of potato producers agreed to destroy several tonnes to keep prices as high as possible, since the crop was well in excess of demand.

This approach makes it difficult to set up a system under which all provinces would have to conform to the same standards.

• (1135)

The idea of setting up a national mechanism is not new. In the early 1980s, the provinces were consulted about the possibility of setting up a mechanism of this sort. From the consultations, it was obvious that the positions of certain regions were totally irreconcilable.

The western market, for example, is import based. It is the complete opposite of the eastern market, which is largely export driven. Furthermore, it appears that many provinces have a potato producers association of their own. Since regional objectives may vary, the roles of these associations may be diametrically opposed.

Let us take a look at the Fédération des producteurs de pommes de terre du Québec by way of example. It is a labour organization and has both a political and a marketing focus. The Manitoba association, on the other hand, is concerned strictly with marketing.

Quebec potato producers have had a dual scheme since 1979. It covers advertising campaigns as well as the control of potato quality. Moreover, as many producers have their own packing companies, they look after selling their products themselves. They have created a customized marketing system for themselves. What more could you want, Mr. Speaker?

As I see it, the provincial producers are already well organized. They develop their own markets and their own way of operating. I do not see any point in centralizing and messing up a system that works the way the people using it like it. As I said earlier, I met with several of them and they recommended that I not support Bill C–266 tabled by the hon. member for Mackenzie.

Furthermore, a working group was created in 1990—as was mentioned earlier—to evaluate the various options for implementing a potato marketing system, to evaluate, for instance, the advisability of establishing a Canadian potato board or to examine the possibility of setting up a supply management system or other options. The group had to interrupt its work in 1990 and never produced a final report. And even if they had concluded their work in some way, their findings would no doubt have been overtaken by market developments.

In view of free trade, previous studies would perhaps be less relevant today. GATT and NAFTA have changed the rules of the game. Were it indeed advisable to create a national system as proposed in the bill, one would first have to consider all the new aspects of today's market.

If my information is correct, this is not the first time a measure such as Bill C–266 has been presented in the House. The aim of the member proposing this bill, namely to assist potato producers, is most admirable. Bill C–266 shows a desire to bring together producers and consumers. Research in this area could be financed, for example, by deductions from producers, as is the case for wheat and barley under Bill C–50 regarding the Canadian Wheat Board, which the House of Commons passed before the holidays.

• (1140)

There is, however, a major difference between these two sectors. Grain producers themselves asked to be able to make this kind of contribution. In my opinion, there is no need to respond to needs that potato producers have not expressed. Let us look at it this way: western grain, barley and wheat producers had asked the House of Commons to pass this kind of bill; potato producers did not and have no desire to do so.

Besides, it may seem advantageous to promote a product by pooling all available resources. However, if the objectives of the parties are irreconcilable, as is the case with the provinces, pretending to cover all bases by trying to put producers and consumers into the same mold can only throw a wrench into the works.

In closing, I would simply like to inform the hon. member for MacKenzie that, unfortunately, the Bloc Quebecois will not support his bill since all the farm producers, all the potato producers from Quebec who were consulted do not see the need for it and unanimously asked us to oppose the bill, which the Bloc Quebecois will do.

[*English*]

Mr. Joe McGuire (Egmont, Lib.): Mr. Speaker, it is a pleasure to speak this morning on Bill C–266 sponsored by the member for Mackenzie.

I must tell the member for Mackenzie that this bill is really an untimely gesture in the history of the potato industry. Usually there is a demand for this type of legislation from producers or from the provinces. In this case I do not detect any support for a bill of this sort from producers, from provincial governments, or from departments of agriculture. It has been some time since there has been any kind of demand for an orderly marketing system for potatoes.

I remember back in the 1980s during an election campaign there was a move by the producers in Prince Edward Island and eastern Canada to set up an orderly marketing system. At that time there were some difficulties for a number of years in marketing potatoes for a fair price or for marketing potatoes for any price.

An effort was made by Parliament to initiate discussions that might lead to an orderly marketing system for potatoes. That effort died rather quickly. The demand for potatoes and the marketing problem they were experiencing in the late 1970s disappeared and the enthusiasm the producers had for an eastern potato marketing board waned pretty quickly. Basically the effort went nowhere.

In the early 1990s I am told, although I did not realize this until we looked into the background material for the bill, an effort was made nationally for an orderly marketing of potatoes. It also died because of lack of support.

Why is the bill being brought forward at this moment when the marketing of potatoes has never been better? The demand for potatoes has never been better and the prices paid to producers have rarely been higher. If we had twice as many potatoes in Prince Edward Island as we do now, we would be able to sell them all.

There is demand from Europe. We are getting calls from countries that until this year probably never knew Prince Edward Island existed. They are phoning our exporters looking for potatoes.

• (1145)

This is an unusual year for that kind of demand. Even without the drought or whatever affected the potato crop in Europe, the demand for the processing of potatoes is growing steadily year after year. The demand for table potatoes and for P.E.I. seed potatoes has rebounded from the PVY–n crisis.

The industry is in a very healthy position. There is no guarantee it will always be in a healthy position but if there are any free market farmers in Canada, the eastern Canadian potato producers have to be in that group. They have very rarely had to rely on government for any kind of stabilization or bailouts for their industry. They grew their own potatoes. They marketed their own potatoes. They exported their own potatoes and developed their own markets in South America and overseas in Algeria and the Middle East. They have been doing a tremendous job. They do not really see how government could assist them in any way in the selling of their crop.

In the whole situation mentioned earlier by a Bloc member with respect to free trade, GATT, NAFTA and so on, the potato industry is probably more ready for these efforts in bringing down trade barriers than any other commodity group in this country. It is that those in the potato industry have never been in favour of trade barriers. They have always had to rely on a free trade spirit in order to market their crop.

Even with that, since 1980, the last time there was a demand for this type of legislation, the number of acres of potatoes grown has come close to doubling. That is in the last 15 years. They have not only been able to market those potatoes; on a yearly basis, they have been able to increase their production and to sell everything they have had.

The only experience they have had with government has been as a result of the PVY–n crisis and it was thought they would not be be able to market their potatoes in 1991 and 1992. The government assisted the growers in destroying thousands and thousands of pounds of potatoes for a certain price in order to relieve the market of potatoes in storage.

What happened a few months later was that there was a demand for the potatoes that were destroyed. They would have received a lot more money out in the marketplace than they did out of government. Any time the government has been associated with the market it tends to distort it. It is better left to the market system, especially these days. It is a free market commodity and has been doing quite well.

I am sorry I cannot lend any support to my colleague from the NDP for this bill. Basically there is no support from either the potato producers or the governments in eastern Canada.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, I rise on this private members' Bill C–266, an act respecting the orderly marketing of potatoes.

My speech has four main points. First, I will explain what this bill is about very briefly. Second, I will explain why this bill has failed in the past and will not be supported again in this House as we have seen from the speeches so far, in particular from the governing party. Third, I will outline the Reform Party's posi-

tion on supply management and supply managed products. Finally, I will put forward some viable alternatives to government involvement through new supply managed industries.

The stated purpose of this bill is to ensure the orderly marketing of potatoes having due regard to the interests of producers as well as to consumers. It would establish a corporate body to be known as the Canadian potato marketing commission.

The commission would be composed of five to nine members who would not receive pay from government. The commission would operate in a somewhat similar fashion to that of the Canadian Wheat Board. It would act as a sole marketing agent for all imported potatoes and for potatoes produced in Canada.

• (1150)

The commission, using a permit book system as the wheat board does, would pay producers to sell potatoes to the board. What we would have is a single desk buyer as we have with the Canadian Wheat Board.

Payments made to the consolidated revenue fund to offset any expenses the commission may have must be approved by Parliament. I was encouraged to see at least in the proposal there was the recognition that when we come to an expenditure of taxpayers' money in order to have proper accountability it should have approval by Parliament and not just by governor in council, the cabinet or the minister. That is what this bill is about.

This bill has been attempted before and has failed. The member for Mackenzie has attempted to pass the same bill. Bill C–246, an act respecting the orderly marketing of potatoes, received first reading on May 30, 1989. Bill C–252, an act respecting the orderly marketing of potatoes, received first reading June 19, 1991. Now here we go again with Bill C–266, an act respecting the orderly marketing of potatoes. I wonder if this member is trying to make an argument in favour of term limits for politicians so that we get new ideas into this House, ideas that change with the changing market conditions.

The fact this is the third time in six years the same member has put forward the same bill certainly indicates one thing: he holds an ideology; he sticks to his ideology regardless of whether or not producers agree with that ideology. Hon. members opposite have presented an overview of the state of the potato marketing industry and the general lack of support on the part of farmers and processors for this type of a bill.

An attempt was also made in 1980 to establish a potato marketing agency for eastern Canada. Public hearings were held, reports were submitted and the idea failed. The national potato agency task force presented its report for a program for the marketing of potatoes in Canada to the minister of agriculture and the chairman of the National Farm Products Marketing Council on November 17, 1986 but nothing came of it.

In February 1988 the National Farm Products Marketing Council submitted a report on the inquiry into the merits of establishing a national marketing agency for potatoes. On April 28, 1988 Judge Teitelbaum of the Federal Court of Canada trial division at the request of a group of potato processors issued an order quashing the report. The conclusions and recommendations contained in the report were never implemented.

In the past there was never enough collective enthusiasm to implement a potato marketing agency. In the present it is not an idea whose time has come. In fact it is clearly an idea whose time has gone.

With the passage of the Uruguay round of GATT, the free trade agreement and NAFTA, the existing government co–ordinated marketing agencies have come under fire. In recent news stories we have heard some of the results of Canada putting tariff levels at the rate they are in other supply managed industries. There is a lot of pressure particularly from our largest trading partner, the United States, to have a rapid reduction in the tariff protection in the present supply managed industries. I am surprised the hon. member is proposing to put in place a new supply managed industry board under this type of situation.

On January 28 the Canadian Wheat Board was under fire because it requires end user certificates on imported American wheat. The Americans' response is to impose end user certificates on Canadian wheat entering the United States. If this threat were to become a reality the result would indeed cause a large problem for Canadian grain farmers who do ship Canadian grain into the United States. It would cause an increase in paperwork and another level of regulation which is totally unwanted and not needed by farmers.

• (1155)

The United States has also served notice that it plans to challenge Canada's new import duties on dairy and poultry products. I mentioned this a few minutes ago. The levels set under GATT according to the United States really go against the spirit and the terms of NAFTA. That is the argument the United States has been using. Again, the mood just is not there on the part of the United States and certainly on the part of Canadian potato farmers for a new supply managed industry, especially when that industry is potatoes.

In terms of the disputes with the United States, who ends up being hurt by these disputes? It is not the bureaucrats who are hurt; it keeps them employed. It is not the politicians who are hurt; it gives them the spotlight and keeps their names in the news for a little longer. In the end it is the farmers who lose from these disputes. We want to do nothing that will encourage trading disputes.

I believe that having this bill which is being proposed today in *Hansard* could be considered an anachronism, an error in time.

My wife and I went to see "Richard III" last Friday night in Edmonton and as you know, Shakespeare is famous for the anachronisms in his plays, but there is a new anachronism in this play. "Richard III" came out on stage crippled up in a wheelchair, which of course is a new anachronism that was built in by the writers of this version of "Richard III".

This piece of legislation is very much like using a wheelchair in a play that took place hundreds of years before wheelchairs existed, electric wheelchairs in particular. I believe it is totally out of place.

I want to talk a little bit about Reform's position on supply management in general. Reform believes that farmers should definitely have the right to work together collectively. They should have the right to strengthen any part of their industry or their business they feel can be strengthened by this co–operative work.

For example, I believe there is a very strong future for co–operatives in agriculture. I also believe we will see farmers with other business people in small communities in particular forming new co–operatives as a mechanism to work together for the common advantage of the farmers and the processors involved. I encourage this type of activity. I believe there is a future for various other types of joint ventures but not for new supply managed industries.

The greatest service this government can provide to producers who are in the supply managed industry right now is to be honest and open with the farmers. We know the world is moving more and more to an open and free marketplace. Knowing that, the greatest service government can provide for farmers is to say: "We are moving to a system of more competition. We know it is going to be more difficult even for present supply managed industries to compete, but at least we are acknowledging it and we want to help in any way we can without interfering in the move to an open market system".

Clearly, this bill is totally out of place and I am very pleased to see the support from the members opposite.

Mr. Bernie Collins (Souris—Moose Mountain, Lib.): Mr. Speaker, I am pleased to have the opportunity to speak on the subject of Bill C–266.

As the House knows the government recently concluded a comprehensive negotiation on a new GATT agreement which will create a new trade regime under the World Trade Organization. As a member of the GATT and the World Trade Organization, as well as being a signatory to the North American Free Trade Agreement, Canada has created for itself many new and expanding opportunities and with those, certain international trade obligations.

Bill C–266 as it is written suggests that a commission would, as the sole marketing agent, control all imports and all exports of potatoes. Under NAFTA and the MTN Canada has agreed not—let me stress not—to introduce any prohibitions or restrictions on the importation or exportation of goods.

• (1200)

If Canada were to change its current policies and thereby affect current and future access to our market, Canada would be modifying benefits that our trading partners would expect to accrue under the provisions of the trade agreements. This could be subject to challenge by our trading partners.

The Canadian potato and processing industries are major exporters and have significant interests in free trade and open markets. I realize the potato industry has been faced with many issues in recent years that have affected the marketing of potatoes both domestically and internationally. However, I do believe the issues would best be addressed in a manner that does not have negative implications on trade or violates our trade obligations.

For that reason I am not prepared to support Bill C–266 and I am sure that although the member opposite has real concern for that industry he can understand that in changing times we have to deal with the realities and that we are in a new trading pattern and these items will be dealt with in an open and free trade market.

The Acting Speaker (Mr. Kilger): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96, the order is dropped from the Order Paper.

GOVERNMENT ORDERS

[*English*]

IMMIGRATION ACT

Hon. Sergio Marchi (Minister of Citizenship and Immigration) moved that Bill C–44, an act to amend the Immigration Act and the Citizenship Act and to make a consequential amendment to the Customs Act, be read the third time and passed.

He said: Mr. Speaker, I extend a warm word of welcome to all my colleagues as we resume this very important session of Canada's Parliament.

As we said in the immigration plan last November 1, the focus in immigration policy must be nation building and people and not criminals and their despicable deeds. It is time to get back to what we do best, building a nation that is strong and free.

However, the actions of a small criminal element that has infiltrated our immigration system have occupied our time and the public's attention for far too long. The actions of a few have

hurt the reputations of many. Logically we must respond to the few so that we may protect the many and uphold our laws. Bill C–44 accomplishes that twin goal.

There can be no equating the words criminal and immigrant. Immigrants helped build this country and are the men and women who have made history and the men and women who will help us build Canada's tomorrows. Criminals are only the riff–raff of society who are not even a footnote in the history of our proud immigration tradition.

Members on all sides of this House are to be congratulated on the speedy work in getting this legislation, Bill C–44, before the House of Commons at third reading. A special thanks to my very able parliamentary secretary, the member of Parliament for Halifax, as well to the committee members of my caucus who went well beyond the normal working days on this important piece of legislation.

The bill comes back with a number of amendments that will clarify timeframes, technical points and a transition period. This is very much a case in point of how this government first listens and then acts. Quite simply, the amendments to the immigration act that we are dealing with today in Bill C–44 will move us a significantly long way toward restoring integrity to our system.

• (1205)

The bill is an enforcement tool set. It allows us to fix some worn equipment without shutting down all the machinery.

[*Translation*]

I know there are those who would use criminal behaviour by a few as an excuse for draconian law. For those people, we have not gone far enough. To them I simply say, this government was not elected to shake a chainmail fist or wield a big stick.

[*English*]

Then there are those who say that we have gone too far, that we have reacted too strongly against the actions of just a few wrongdoers. To those Canadians let me say that although the criminal element that has intruded into the immigration process is tiny, it is at the very same time very destructive.

As a result the government has struck a middle course between those extremes. A balanced, realistic middle course is often the wisest course, for it takes us away from the rocks of extremism and reaction while steering us clear of the dead waters of those who would do nothing.

This legislation is a central component of our ten–year immigration strategy. It is not the most important part, but it is one of the two underpinnings that will make it successful. Fair access and the rule of law are the two principles embodied in our plan which was tabled on the floor of the House of Commons last November 1.

Those who abuse our nation's hospitalities and laws will not be given the privilege of access. It is simple: play by the rules or face the consequences. Canadians do not want any more queue jumping, any abusing of the system or any manipulating of the system. Most certainly we on the government side will strive to prevent criminals from taking the places of both legitimate refugees and legitimate immigrants to Canada.

The tools being provided here through Bill C–44 will allow law enforcement officials to get the job done. While I am on the subject of tools and law enforcement, let me pay tribute to the special police, RCMP and immigration task force that was recently established. It is making steady progress at removing foreign criminals from our midst. While the task force does not have any direct linkages with the legislation before us today, it is very much part and parcel of our resolve to restore integrity to the immigration and refugee process. That task force was also a response to our citizens' demands and needs and that task force is very much getting the job done. My government colleagues and I are very appreciative for those professional efforts.

[*Translation*]

I want to say in a straightforward, non–partisan way, that past governments, and that is governments in the plural, simply let too many people in the door without proper legislation in place to stop criminals.

[*English*]

Let me recap quickly for our colleagues in the House today the main points in this legislation.

First, serious criminals deemed to be a danger to the public will not be allowed to claim refugee status as a means to delaying their removal from Canada. For instance, we will not tolerate any longer those cases that we have read about in our newspapers or watched on our television sets in which a convicted murderer serving time in Kingston penitentiary now is able to compel the Immigration and Refugee Board to travel to that penitentiary to listen to an obviously unworthy refugee claim.

Second, appeals against removal orders by persons convicted of series crimes will be decided by the minister or the minister's designate and not by the immigration appeal division.

[*Translation*]

Third, senior immigration officers will be allowed to terminate refugee hearings because of criminality.

[*English*]

Another common sense application is if once the refugee process has started and subsequent to that starting information comes to the fore that the individual has committed a serious offence, we will now be able to stop that refugee hearing, move

it into an immigration inquiry hearing and proceed with the evidence provided before that tribunal.

• (1210)

If the information we receive is validated, that individual will be subject to deportation rather than any refugee hearing. Again, it is a practical response to some of the cases that over the last number of years have certainly caused much public attention and some public grief.

Four, this legislation will also give immigration officers the authority to seize identity documents from international mail if it is clear they are meant to be used to circumvent immigration and other Canadian requirements. As well, senior immigration officials will also be able to turn formerly deported people away from our borders if those individuals are attempting to come back to Canada without proper permission. This will now be done without having to go through the inquiry procedure that at present is mandated on those officials.

[*Translation*]

Fifth, it will ensure that persons with summary convictions, whether obtained inside Canada or abroad, would be inadmissible.

[*English*]

Furthermore, thanks to the co–operative spirit shown in this House by members opposite in allowing me to propose a new amendment at report stage, this legislation will prevent the release on day parole and unescorted temporary absences of inmates who face deportation following the completion of their sentences.

It is our firm belief that because these foreign criminals are not going to be reintegrated into Canadian society, there is no need to let them work slowly back into our Canadian communities. Once again, this is a common sense practical step forward. For this I would also like to thank for their co–operation Canada's Solicitor General and Canada's Minister of Justice.

Bill C–44 will also allow us to stop the processing of citizenship while that same person is undergoing an immigration inquiry. Once again, this is a practical step forward in which the right and the left hands will work in conjunction with each other as opposed to being in a vacuum apart from each other.

As I mentioned earlier, this government is prone to listen before it acts. As a result of our listening to the committee work, there are also a number of changes before the House today. Some involve the transition while others are designed to prevent costly and time consuming court challenges based on the scope of authority the bill gives to senior immigration officials.

Of a more substantive nature is the definition of what constitutes a serious crime. We propose to remove the right of appeal to the immigration refugee board on all grounds—I underline all grounds—for individuals certified to be a danger to the public. This means that those who have committed a crime involving violence, weapons, sexual assault or drug offences that are punishable with a sentence of 10 years or more will no longer be able to tie up our system.

They would retain their right to seek judicial review in the federal court. Of course humanitarian issues would be considered by the minister or the minister's designate when a decision has been rendered.

Persons not considered such a danger would retain their right of appeal on all grounds, including the humanitarian grounds, to the immigration appeal division.

[*Translation*]

This is good legislation and it will go a long way to removing the stigma that a few wrongdoers have placed on all immigrants. There is no welcome mat in this country for thugs and evildoers. They can stay right where they are.

[*English*]

We know that Canadians are a tolerant and compassionate people. These are some of the values that have allowed us to build the kind of society we are, distinguishing us from other countries and societies.

• (1215)

The public frustration and exacerbation expressed from time to time are very much aimed at those who have twisted the rules or those who have broken covenants with Canada. Accordingly Bill C–44 targets those people.

The problems we faced required the legislative action we are taking today. Let me be very clear: the porch light is on and the welcome mat is out for those who are genuine refugees, those who are escaping brutality and torture in their countries, individuals who are not only seeking out Canada as some would have us believe but seeking out other countries of the world. They are seeking no more or no less than the things we have in abundance in Canada. The porch light is on and the welcome mat is out for those who want to help us create jobs and continue to build this great nation.

Let us get on with it, for there is much nation building to be done.

[*Translation*]

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, I wish to extend my best wishes for the New Year to all my colleagues in this House.

Today, we are going back to work after a seven–week break. Before speaking to Bill C–44, I would like to salute and congratulate my friend and colleague, the hon. member for Lac–Saint–Jean, the leader of the Bloc Quebecois and Leader of

the Official Opposition in the House of Commons, Lucien Bouchard. Thanks to his courage and determination he was able to survive a terrible disease and win a very tough fight for his life. He will soon be back in this House and in the political arena. I wish to say to him how happy and proud of him we are. Quebec needs Mr. Bouchard.

I rise to participate in the debate at third reading on Bill C–44, an act to amend the Immigration Act and the Citizenship Act and to make a consequential amendment to the Customs Act. This bill was introduced and read the first time in the House of Commons on June 17, 1994. It passed second reading on September 27 and was then referred to the Standing Committee on Citizenship and Immigration.

The committee tabled its report after hearing many individuals and organizations interested in this bill. Bill C–44 was debated at report stage in this House on December 12, 1994.

According to its authors, the bill has the following objectives: prevent a person convicted of a crime punishable by a term of imprisonment of 10 years of more in Canada or abroad from claiming refugee status; give immigration officers the authority to seize documents sent by international mail that could be used for fraudulent purposes; remove from the Immigration Appeal Division appeals based on grounds of equity, when the minister believes the appellant to be a danger to the public—from what I just heard, he will use this power very often—; take away from a person affected by this the right to appeal, on the grounds that they represent a security risk.

As I have said time and again, we in the Bloc Quebecois say that the state and the government have the right and the duty to protect Canada and Quebec against criminals whatever their origins.

• (1220)

We agree that entry should be denied to immigrants and refugee claimants who have committed major crimes against persons in their country of origin and decide to flee to Canada, given our reputation as host country. While recognizing that there are problems with the criminal activity of refugees and immigrants, we suggest that the government already has all the legal and administrative means to deal with this situation.

For example, under the present legislation, Bill C–86, the minister has the power to have war criminals and anyone who has perpetrated a crime against humanity removed. But the government is taking no action against criminals in this category. Several Nazis still live in Canada. Léon Mugesera, said to be a Rwandan criminal by his own community, has not yet been expelled, in spite of the questions I have put to the minister in this House.

The law presently states that persons convicted of an offence outside of Canada are inadmissible to the refugee claim determination system when there are reasonable grounds to believe that the offence of which they have been convicted may constitute an offence punishable under a Canadian Act of Parliament by a maximum term of imprisonment of ten years or more and when the Minister of Immigration is satisfied that they might be a threat to public safety in Canada.

This is good enough for me, but I must point out that the Canadian Council for Refugees wants this clause that I just read to be deleted. Needless to say, they object to it being expanded to include permanent residents.

This bill is an excessive and disproportionate response to the two murders committed in Toronto in the spring of 1994 by foreign nationals. It was produced hastily, without any prior consultations, in spite of the fact that the minister promised when he took office that national consultations on the immigration policy would be held, at a cost of over $1 million.

Even the counsels and groups who work with immigrants and refugees were surprised. This bill is this Liberal government's response to the drastic and reactionary positions endorsed by the Reform Party. This bill, and several statements made by the minister, reflect a shift to the right by the Liberal Party of Canada.

It is very unfortunate that the government rejected every amendment moved by the opposition. The Liberal majority had already rejected the Bloc Quebecois proposals during the clause by clause study of the bill. Moreover, the Minister of Citizenship and Immigration took, at the report stage, the same inflexible stance as his Liberal colleagues in the legislative committee, rejecting over 20 amendments I personally moved on behalf of the Bloc Quebecois as well as those put forth by my colleague from Laval East.

One of our amendments, for example, was designed to exclude from the application of the new legislation landed immigrants who have resided in Canada for ten years or more, as is currently the case in Australia and several other countries. Some of these people have no emotional ties with their country of origin. As it stands, there are people who have been living in this country for over 40 years who could now be removed. The minister and the Liberal majority have rejected this perfectly valid amendment moved by the Bloc Quebecois.

• (1225)

Many organizations testified before the Standing Committee on Citizenship and Immigration, including: the Canadian council for refugees, which is a very well–respected organization in that sector; the national immigration law section of the Canadian bar association; the Canada employment and immigration union; the United Nations high commissioner for refugees; the Canadian section of Amnesty International; the national action

committee on the status of women; the Canadian labour congress—incidentally, I congratulate CLC officials for the quality of their submission as well as for their very supportive position regarding immigrants and refugees; the inter–church committee for refugees; the Quebec association of immigration lawyers; the Canadian ethnocultural council; the immigration and refugee board; the customs and excise union, etc.

None of these organizations supported the bill. The overwhelming majority of them strongly opposed this legislation. Some even made suggestions to help the House ensure that this bill is better designed, and that it is fair and efficient. Some asked for the outright withdrawal of that legislation because it is unfair and it violates commitments made by Canada regarding political asylum.

To that effect, allow me, Mr. Speaker, to quote from an article written by Nantha Kumar, which appeared in a Montreal publication called *Hour*, on December 15, 1994. The author alludes to a war said to be fought against refugees within the Department of Citizenship and Immigration.

[*English*]

> The war is being fought on two fronts. Abroad, plain clothed immigration officers sit at major international airports, intercepting people they suspect are heading for Canada to apply for refugee status. At home, a propaganda war is being waged against claimants in order to convince Canadians that a more hard line approach is needed.

Montreal immigration lawyer, Richard Kurland, says that he has discovered "a department within the immigration department". Kurland says the communication strategy is clearly intended to sell the Canadian public on an enforcement oriented immigration policy. For example, when a government sponsored report by Professor James Hathaway criticized the fairness and legality of some practices at the Immigration and Refugee Board, it failed to make the front pages of most newspapers.

What instead made headlines the day the Hathaway report was released was the first of a series of immigration abuse stories. "The anti–immigrant and anti–refugee stories at the time were extraordinary", adds Kurland.

The Minister of Citizenship and Immigration, says Kurland, "is not only under serious political pressure from the Reform Party. He is also under siege by the department within the department".

[*Translation*]

We, Bloc Quebecois members, deplore this regrettable swing to the right by the Minister of Citizenship and Immigration. Such a move, which signals a dangerous shift towards intolerance, is made so as to manipulate public opinion and make Canadians forget that the vast majority of them, including myself, have come here in successive waves of immigrants, since the discovery and founding of this country.

I agree that something must be done regarding criminals in Canada, including those who are not Canadian citizens and who are seeking refugee status. However, any measure must comply with the Charter, as well as with the international conventions to which Canada is a party. I should also add that the minister and all of us agree that the overwhelming majority of immigrants are honest and law–abiding people.

• (1230)

The question therefore arises whether we really need legislation to deal with this very small minority. After all, the government already has a whole arsenal of laws, regulations and resources to deal with the small number of criminal immigrants.

At the very least, this bill raises some very serious constitutional questions. For instance, since its decision in the Singh case in 1985, the Supreme Court has determined that everyone in Canada, not just every citizen or every permanent resident but everyone in Canada, is protected by the Charter of Rights and Freedoms. According to the Supreme Court, an inquiry is necessary in situations that are not clear.

The Supreme Court also says that the potential cost of conducting an inquiry on certain refugees does not constitute reasonable grounds for restricting that right, even if the government says it would be too expensive. According to the Supreme Court, this would not justify depriving someone of the right to an inquiry.

We are very critical of Bill C–44. The powers of senior immigration officers, which are already very extensive, have been considerably expanded with respect to the exclusion of claimants of refugee status at the Canadian border or at points of entry. The bill gives these senior immigration officers the authority to issue a warrant for the arrest of a person who fails to appear. Such warrants may be issued in the case of any person with respect to whom a decision is to be made or an examination or inquiry is to be held. The warrant may be served by the police in order to force the person concerned to appear.

I am very concerned about the excessive authority vested in senior immigration officers. In any democratic society, judges, and not mere public servants, are authorized to issue arrest warrants.

Regarding the right to appeal on compassionate grounds, the original wording of the bill was amended to read that the minister must issue a statement that a person constitutes a danger to the public, before he loses his right to appeal, and the minister has said he intends to make frequent use of this authority.

The term "danger to the public" is very ambiguous. No definition is given, which opens the way to arbitrary decisions and abuse. Who will make the very crucial decision to state that someone is a danger to the public? The minister, public servants, the RCMP or the Canadian Security Intelligence Service? On what grounds? Will they go through thousands of files with a fine tooth comb to find out whether someone constitutes a

danger to the public in Canada? The decisions will be secret. This is contrary to the practice in our judiciary system, where hearings are public. Those are just a few of our concerns.

There is another aspect I would like to discuss. The bill does not weigh the seriousness of the crime and the danger to the host country, in this case Canada, as provided under the Geneva Convention on refugees. According to many authors and legal experts, if a person is threatened, on political grounds, with certain death, life imprisonment or serious abuse if he returns to his country of origin, he should be granted refugee status even if he is guilty of a serious crime.

• (1235)

The seizure of international mail by immigration officers just mentioned by the minister constitutes another very dangerous provision in a democratic society.

The Refugee Convention distinguishes between crimes of common law and those of a political nature, a distinction completely absent from Bill C–44.

According to the manual of the UN Office of the High Commissioner for Refugees, consideration must first be given to the nature of and reason for the crime, in other words whether it was committed for truly political reasons or whether the motive was monetary or purely personal.

Neither does the bill make a distinction between prosecution and persecution. According to the manual of the UN Office of the High Commissioner for Refugees, a person guilty of a common law offence who is liable to an extreme penalty may be in a situation that is tantamount to persecution as defined by the Geneva Convention. In certain countries, prosecution may be a means of persecuting someone, and the law may be applied in a discriminatory manner.

The bill refers to a person convicted of an offence that, if committed in Canada, would carry a term of imprisonment of ten years or more. It mentions the maximum sentence for the offence, not the sentence actually handed down. As you know, the circumstances of a crime may vary from one extreme to another, justifying a maximum or minimum sentence accordingly.

It should be pointed out that, in general, Canada's Criminal Code does not specify minimum sentences for offences. Thus, an individual convicted of an offence for which a term of imprisonment of ten years or more may be imposed might not be sentenced to jail or even fined. He might simply be put on probation or given a suspended sentence.

Among the most important briefs submitted to the legislative committee, I would like to cite the very comprehensive document and testimony of the Inter–Church Committee for Refugees. This organization is concerned that certain classes of refugees will be found inadmissible at a point of entry or elsewhere in Canada, and that they will be deported without an impartial examination of their need for protection. This organization, which includes about ten Canadian churches, is therefore asking that refugee claimants be allowed to present arguments against their deportation before an impartial and independent tribunal.

They object to legitimate refugees claiming refugee status at the border being turned around without even considering their need for protection. The right of asylum is entrenched not only in the Geneva Convention but also in the Charter of the Organization of American States, as well as several other international instruments.

Notwithstanding the excellent presentations from such organizations and individuals, who are very knowledgeable on the subject, the government is rigidly standing its ground, except for making a few minor changes.

On the other hand, section 7 of the Canadian Charter of Rights and Freedoms states that no one may be deprived of the right to liberty and security, except in accordance with the principles of fundamental justice. Section one of the Charter says that these rights may be subject only to reasonable and demonstrably justified limits.

It should be pointed out that Bill C–44 is a very technical, difficult, complex and sensitive bill.

• (1240)

The Liberal government is showing a blatant lack of sensitivity towards immigrants and refugees who are victims of persecution. In so doing, the Liberal government goes back on promises made in its red book.

Today, the minister stated the same inflexible position as he did at first and second reading. He paid no attention to the opinion of the opposition.

The Minister of Citizenship and Immigration already had the means, as I said earlier, to deny criminals entry into Canada and to send them back to their country of origin. Several administrative measures like the ones mentioned earlier by the minister have been taken to do so. The minister created working groups made up of immigration, RCMP and local police officers in Montreal, Toronto and Vancouver in order to arrest and deport criminals in the process of obtaining immigrant or refugee status.

This House is also considering Bill C–37, an act to amend the Young Offenders Act and the Criminal Code. This bill also deals

with young people who do not have Canadian citizenship and have been convicted of criminal offences.

Finally, a memorandum of agreement was signed by the Department of Citizenship and Immigration and Correctional Services Canada in order to make deporting foreign criminals faster and easier. Hundreds of people have been tracked down and deported from Canada. RCMP officers and others have been posted in Canadian embassies and at major airports abroad in order to prevent criminals from entering Canada.

In November 1993, the recently appointed minister stated that he wanted to reduce political influence in refugee matters. He told *La Presse* that he wanted a system with as little political involvement as possible. Yet, this bill contradicts what he said in 1993. He wants to politicize even more the immigration and refugee determination process. He will issue statements to the effect that someone constitutes a danger to the public and will also stop appeals. This bill raises questions on the independence of the IRB and all administrative tribunals.

He also said that he wanted to introduce a more progressive approach and move away from Tory positions. Indeed, the minister's approach differs from that of the Conservatives. However, it is not because his refugee policies are more progressive, but because they are more reactionary and harsher than were those of the Conservatives. A Liberal minister is actually doing something the Conservatives never dared to do.

When the minister took over his portfolio, he immediately separated the immigration component from the department of public security, a measure which we welcomed at the time. However, Bill C–44 now links immigration to crime. Once again, the minister, like his government, does exactly the opposite of what he preached during the election campaign.

This bill gives the impression that all criminals in Canada are immigrants and refugees, which is utterly false and unfair. In fact, the crime rate among new Canadians is lower than that for those born in Canada. It should also be pointed out that, in recent years, the crime rate has been on the decline in Canada, which is of course a good thing.

Let me say a word on the issue of patronage at the IRB. In 1994, the government appointed, or renewed, the mandate of over 100 IRB members, including 65 new ones.

• (1245)

The IRB was created in 1988 by an act of Parliament. Although the board is a quasi–judicial tribunal, it has been used, since the beginning, as a patronage instrument.

The board is the largest administrative tribunal in the country; it is made up of 210 members appointed by the governor in council, as well as 40 adjudicators, who are public servants.

Since the beginning of the 35th Parliament, the Bloc Quebecois has been asking that the Standing Committee on Citizenship and Immigration fulfill its mandate and review the appointments of IRB members. It must be understood that, while the IRB is subject to the power of review of tribunals, it is also subject to the administrative control of Parliament.

Since January 1994, the committee's Liberal majority only once allowed a review of a dozen or so appointments. Although very little time was allowed for this exercise—just one morning—we could see to what extent the Liberals had reproduced the same kind of patronage system established by the former Conservative government.

Take the following appointments made by the present government. These are Liberals and friends of the party, appointed as members of the IRB with an annual salary of $75,000: Auguste Choquette, former Liberal member for Lotbinière, Quebec, from 1963 to 1968, who was even temporarily disbarred by the Barreau du Québec; Joan Kouri, former Liberal candidate in Brome—Missisquoi, Quebec, in 1993 and former president of the Liberal Women's Federation; Philomen Wright, supporter of the hon. member for York West and current Minister of Citizenship and Immigration and member of the York West Liberal Riding Association in Ontario, a friend of the minister; Elke Homsi, former assistant to various Liberal MPPs in Ontario; Sherry Wiebe, director of research for the Manitoba Liberal Caucus; Inderjit Bal, appointed in 1994, who had to resign following a review and revelations before the Standing Committee on Citizenship and Immigration, and who sought the Liberal nomination in the riding of Bramalae—Gore—Malton, Ontario, in 1993 and organized the campaign of the Minister of Citizenship and Immigration; Ravi Naqvi, who unsuccessfully sought the Liberal nomination in Mississauga West, Ontario; Patricia Davey, wife of a former aid to Pierre Elliott Trudeau; Ethel Teitelbaum, executive assistant to the former Liberal Minister of Finance, Donald MacDonald.

Some of these board members had no previous knowledge or experience of refugee problems, as we realized during meetings of the Standing Committee on Immigration and Citizenship. The case of Mr. Michael Schelew, former deputy chairperson of the board, appointed by the present minister, goes well beyond the most fundamental limits of decency.

Because of internal wrangling within the board between Liberal and Conservative factions, Mr. Schelew was suspended and a legal inquiry was ordered by the minister. Pressured to resign, he agreed to do so only the day the inquiry was to start

and after he was promised more than $100,000 of public money, although he had not completed even one year on the job.

The minister never really explained what happened in this rather embarrassing case for the government. It bought the silence of this deputy chairperson of the board with a substantial amount of money, while cutting payments to the unemployed, welfare recipients and the neediest in our society.

• (1250)

Worse, with this outlandish settlement, the minister prevented the judge from looking into the board's mismanagement. The Bloc Quebecois has asked for, and will continue to demand, a public inquiry into the operations of the IRB which, at the very least, is going through a serious crisis. The Bloc Quebecois will continue to denounce patronage appointments by the minister and his government. We will demand a review of all future appointments by the committee. It is high time that the minister put into practice the recommendations contained in Professor Hathaway's report, that he personally commissioned.

I ask the minister and his government, instead of blindly and stubbornly defending Bill C–44, to try to counter the rise of anti–immigrant and anti–refugee sentiment in Canada. We must promote better understanding among Canadians, regardless of their origin.

On many occasions, in this House, I have decried the climate of hostility towards newcomers which is spreading across this country. I also reminded members that we have to meet our international humanitarian obligations and provide a safe haven for victims of political, religious or social persecution.

Unfortunately, immigrants, and especially refugees, are increasingly being used as scapegoats for the social and economic problems Canada is facing. In this context, Bill C–44 only serves to reinforce prejudices linking crime to immigration.

As an immigrant, and the official opposition critic for immigration and citizenship for over a year, I have noticed that Canada is becoming increasingly less generous and welcoming with refugees, in spite of the commitment made by the Liberal government in the red book to develop a humanitarian refugee policy and to admit a fair share of them.

I will point out that Canada is only taking in less than 0.25 per cent of persecuted and displaced people throughout the world. As you know, Mr. Speaker, there are more than 100 million of these people. Therefore, I ask the minister and his government to promote a more humane and more generous attitude toward newcomers, especially refugees, instead of defending Bill C–44 which is so full of injustices and will lead to abuses.

In this international year of tolerance, the government should organize an awareness campaign highlighting the contributions of immigrants to Canadian society and the benefits of immigration.

For these reasons, I will vote against the bill.

[*English*]

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, here we are again back to debating a bill which there really need not be much debate on. Bill C–44 was a poor piece of legislation several months ago when we began debate and it remains a bad piece of legislation today.

When this bill was introduced we examined it carefully and came to the conclusion that it, not unlike the party and the minister who proposed it, was all talk and no action, big on words, short on effect.

Bill C–44 is snake oil. It is being marketed as a cure all, a fix to the national mess that we call immigration policy.

Last year people died because of poor enforcement of the immigration policy. People who did not deserve to be residents of Canada remained residents of Canada. People who should never have been allowed to enter this country were allowed to enter.

The Immigration and Refugee Board laughed in the collective face of Canadians and ignored the needs of thousands of suffering refugees around the world by jacking up inland acceptance rates, granting hearings to even the most outrageous claims, overturning the deportation orders of dangerous, violent repeat offenders and suckering taxpayers out of a billion dollars or more all in the name of their brand of compassion.

• (1255)

In response to these and many other outrages that were splashed across the front pages of papers across the country and which rightly angered Canadians who felt that our immigration system was out of control, the minister responded by saying: "No problem. Don't look at the planes that crash, most of them don't". He said we need to pay more attention to the planes that land, the success stories, and ignore the rest.

We and millions of Canadians did not ignore the planes that crashed. Every time one of the minister's metaphorical planes crashed, every time the Immigration and Refugee Board screwed up, every time the immigration enforcement fell down on the job and every time the court system was abused by queue jumpers it hurt Canadians, it hurt immigrants across the country and it hurt the tens of thousands of genuine refugees who are overseas and need our help but cannot get it because we have left it up to the Immigration and Refugee Board to award scarce places to those who manage to show up, get a legal aid attorney to plead their case and push the right politically correct buttons of the IRB.

Sometimes when the minister's metaphorical planes crash it costs Canadians outrageous amounts of money but sometimes it costs people their lives.

Suddenly things got a little too hot for the minister of immigration. He suddenly realized that he had to do something, anything, and he had to do it fast. He thought he needed to table something, needed to make it look as though he really made a change or had taken charge and was really cleaning up his act. He and his legislative assistants got together and hurriedly drafted Bill C–44.

Here it is, they told us, the panacea, the cure for the immigration problems. With C–44 they assured us they were getting tough and would not tolerate abuses in immigration. This would stop the tragedies that occurred last year and are just waiting, mark my words, to happen again.

Bill C–44 is an impressive looking document. It is pages and pages of thick legal text adding this to the Immigration Act. It strikes out some parts, redefines some things and reiterates others.

Bill C–44 is really a whole lot of nothing at all. Is it a cure all for immigration woes?—not even close. Does it tackle the serious problems of morale and under staffing in the immigration department, especially in the area of enforcement?—no, it does not. Does it take away the incentive or the means for lawyers and advocates to endlessly tie up the IRB and our courts with appeal after appeal?—no way.

Does it restore accountability to the immigration decision making process, a lack of accountability that has allowed the immigration minister to slither away from foul ups by saying: "What can I do, it is an independent board", or allowing the IRB to say it is accountable only to the courts?—not even close. Does it secure the front door, our ports of entry?—no.

Does it get to the root of virtually all the problems in immigration today, the problems of numbers, too many to be properly handled by the department under any circumstances with the degree of care and precision that would allow for careful and thorough screening of all applicants?—no, it does not.

Here is what C–44 does. It provides an easy out for the minister and the government who are utterly incapable of making real choices, exercising real leadership and taking action, who instead are always looking for the easy way out, the appearance of action, much ado about nothing, sound and fury signifying nothing. Bill C–44 is exactly that. It is a great deal of legislative sound and fury which signifies absolutely nothing to the average law–abiding Canadian who wants a sane immigration policy and to immigrants who just want to start a new life, obey the law and enjoy their new home.

• (1300)

The minister of immigration has often spoken of his lofty ideals for immigration. He has often presented to Canadians and this House his vision of what immigration should do for Canada and what Canada should do for immigrants.

The minister has tried to argue that high immigration levels, the IRB and other elements of Canada's immigration policy are good for Canada because they enhance Canada's economy. He said that immigrants put into the economy more than they take out. We do not argue that. He has argued that immigration is a Canadian legacy, that immigration built Canada, it continues to build Canada and should build Canada in the future. That is obvious. That is the Reform Party's position on these points, just as it is the Liberals' position, the Bloc's position and also the NDP's position. It is even the position of the previous government.

The minister of immigration is taking no high road when he talks about the history of immigration and the need for that continued tradition. However there is a huge difference in talking about the past, talking about broad universally shared ideals and putting those ideals and values into practice.

That is where this government and my party part company. We both agree that immigration is a vital part of the Canadian heritage. We both agree that immigrants are an asset to the economy.

It is time to get beyond the "we are for immigration but you are not" rhetoric. We are all for immigration. The Reform Party and the Liberal Party are for continued immigration. Frankly, we in the Reform Party think we speak for the Canadian people when we say that enough is enough of the name calling and mud slinging that surrounds the immigration debate. That is the sort of rhetoric the government likes to employ when discussing immigration.

As offensive as that sort of rhetoric is, the rhetoric contained in Bill C–44 is even more offensive. It is most offensive because it looks like legislation that could help. Only insiders, people who are intimately familiar with the workings of immigration in Canada, would know why this bill is of little value and why it is unnecessary.

As I said before, there is no disagreement over the value of immigration to Canada. The Reform Party says that Canada could do better when it comes to immigration policy. The Reform Party says that there are real solid immediate changes that could be made to Canada's immigration policy that would benefit not only Canadians but immigrants as well.

When the government thinks that the status quo, a status quo created by the former Conservative government, is the way to go with ultra high levels, levels that are more than twice as high as those in any other country on earth, astronomical levels in this day and age, levels that are simply too high for our immigration department to handle, is it any wonder that large numbers of

undesirables are slipping through? Is it any wonder that large numbers of deportable people are evading arrest, given these astronomical numbers?

One way we can make a huge dent immediately in stopping large numbers of undesirables from entering the country and one way we can reduce the incredible number of deportable immigrants is simply to bring the total number of immigrants down to a reasonable sustainable level.

This minister and this government—and I dare them to stand up and say differently—have not established quotas on the number of immigrants entering the country. They have not reduced the numbers. They are simply taking credit for a lower number of applicants in some categories. It is smoke and mirrors.

Bill C–44 is the same sort of smoke and mirrors, the same sort of cynical politics. Take credit for something that is not real seems to be the motto of this government and this immigration minister.

Bill C–44 is not real. It too is smoke and mirrors. It too is a shell game. It too is cynical politics. This minister has tried to fool the people of Canada into thinking that something is happening when nothing is happening.

Let us go through this piece of legislation to see what it purports to do, why it does not do what it purports to do and why all members of this Parliament, those who want to report to their constituents with good consciences, will vote against this bill.

As a side bar, I know that not all members have had a chance to read this bill. Reading all bills is simply not possible for a member of Parliament. That is why I urge members to listen carefully as I go through the major clauses of Bill C–44 so that they will know why voting for this bill serves neither the interests of their communities nor the country as a whole.

• (1305)

The first major thing this bill purports to do is to empower customs officers to seize identity documents that are fraudulent and sent through the mail. That is fantastic. I would love it if all fraudulent documents sent through the mail could be stopped and seized. Such a measure if implemented would take the heart out of the illegal immigrant industry and let me assure members that there is an industry out there.

The minister has included that clause to give the Canadian people the impression he intends to stop the flow of illegal documents, or at least curb it. What could be wrong with that? I will tell you. Mansel Legacy, the head of the Customs Excise Union, says that this measure is utterly unenforceable. He appeared before the standing committee.

Throughout the whole country there are only a handful of officers with the power and the job description to actually open and seize these documents. Further, law restricts officers from opening mail that is under 50 grams. Put a visa or an identity card in an envelope and weigh it and you will come up with the same thing I did. It weighs less than 50 grams. Even if someone were dumb enough to enclose a pound of fake passports in a single envelope there are only a handful of officers who would be able to seize them.

The minister wants to give the impression he is taking care of a serious problem in customs and immigration policy. In fact he is just introducing a clause that is a lot of talk but is utterly unenforceable. That is the first piece of evidence that this bill was introduced to do nothing more than pull the wool over the eyes of Canadians.

Another part of the bill that has been trumpeted by the minister as a serious get tough measure has been the limiting of immigration procedures for serious criminals. Bill C–44 promises to limit the appeals of serious criminals to the Immigration and Refugee Board. That is the board the minister so often defends which has developed a reputation for sending into the streets serious violent criminals and non–residents who have gone on to kill innocent Canadians. As he puts it, it is a great Canadian institution. I beg to differ.

On first sight it is a good move. That was certainly my first reaction until I heard from the various lawyers and others who appeared before us at the standing committee. I am no legal expert and obviously the minister is not either. It is important for both of us to turn to the advice of lawyers when a bill is discussed in the standing committee.

When the lawyers appeared before the standing committee they said that this bill would not stop criminal immigrants from making appeals, it would not even slow them down. Bill C–44 does not stop serious convicted criminals from making appeals; it only stops them from making one kind of appeal. Bill C–44 would stop the IRB from hearing appeals based on humanitarian and compassionate considerations only but it would still permit them to hear appeals on matters of fact and law.

The lawyers who handle immigration and refugee cases and have the knowledge and a vested interest here have told us that C–44 will do nothing more than make them change their paperwork a little. Instead of making an appeal on compassionate grounds, they will make an appeal on fact and law. The bottom line is that criminal immigrants stay in the country. They stay, we pay.

This measure, the second major part of the bill, will not work but it does sound good. It sounds good and it appeases the majority of Canadians who want tougher immigration laws without actually changing anything important. No vested interest will be offended. As such I have to give this government

credit for its savvy. I have to give it credit for being able to write a bill that sounds like so much while delivering so little. It is a bill that appeases the majority without offending the ever so important minority who have the ear of the minister.

The third major part of this bill would make someone inadmissible for a claim before the IRB if it is discovered they have been convicted of a major crime in or outside Canada. That is great. Superb, as a matter of fact. That is exactly what the Reform Party has been demanding all along. Let us look a little closer at what Bill C–44 would really do.

• (1310)

Experts appearing before the committee have told us that Bill C–44 would have the perverse effect for example of allowing people who are caught with illegal guns in the trunks of their cars to remain in Canada while those who write bad cheques will no longer be able to stay or to make that claim. If you ask me, neither of these people deserve to be heard before the Immigration and Refugee Board. Clearly this bill uses an arbitrary measure of criminality to determine who is bad and who is not.

There is something much more insidious about this section of the bill. For those who want to do their homework before voting on this bill, and I encourage all my hon. colleagues to do just that, this section of the bill is absolutely unnecessary. It is unnecessary because the minister through his representatives already has the power to stop refugee hearings for people who would constitute a danger to Canada.

I have a list of individuals or at least one individual here for whom the minister has already signed an order to remove him from the country. He has done so. He can intervene at any time. The minister would have an opportunity to intervene in any of those claims that would constitute a violation of the Immigration Act.

The minister already has the power and it has been legislated again into Bill C–44. The minister can already intervene and make ineligible for a refugee hearing people whose presence in Canada would constitute a danger to the public interest.

Bill C–44 is not necessary legally. It is only necessary politically. It is necessary because the minister of immigration does not have the political will. He does not have the guts to intervene personally to stop refugee hearings for people who do not deserve status in Canada.

He says that he cannot intervene. That is simply not true. The minister just does not want to intervene and that is a fact. He could have intervened on Mendoza or Inthavong. Rather than sticking his neck out and possibly offending the special interests, the minister is passing the buck to the IRB. Believe me, the IRB is the last group of people with whom we want to entrust the safety of Canadians. Bill C–44 is just a way for the minister to pass the buck.

As another side bar, compare Bill C–44 with the Reform Party's refugee determination proposals. In those proposals there is a recurring theme. That theme is that the minister should use the power already available to him under the Immigration Act to toughen up on refugee determination and stop dangerous and undeserving people from making claims. We have the guts to do it. I think the majority of government backbenchers would have the guts, but this minister does not. Think about that before raising your hand in favour of this bill.

The final major clause of Bill C–44 deals with people applying for citizenship who are convicted of serious crimes or who are guilty of serious crimes outside Canada. The bill would temporarily halt the processing of applications for citizenship for those who have been found to have criminal backgrounds. That ignores a very serious question, a question that we have posed to this minister again and again over the past year. When exactly are the backgrounds checked and how thoroughly? According to the minister all backgrounds are checked.

I do not need to tell you about the multiple and frequent cases of people who have been allowed into Canada. They have been given status and then because of tips or information on the side have been found to be serious criminals, even war criminals.

Our immigration department is simply not able to thoroughly and adequately check the backgrounds of the quarter of a million immigrants Canada accepts each year. It is just not possible given the numbers. In order to stop a citizenship application a background has to be discovered but we have neither the ability nor the manpower to do it. It will not work.

Even assuming the best case scenario in terms of Bill C–44 if it is implemented and is used effectively, what then? Many more deportation orders would be issued. Good news you say. Wrong. Perversely and as a direct result of the inaction of the current immigration minister and the previous immigration ministers, it is bad news. It is bad news because of the sheer number of deportation warrants that are currently on the books.

• (1315)

Estimates, and that is all the immigration department has been kind enough to give us, suggest that there are up to 40,000 deportation warrants outstanding and unaccountable.

We have heard that in the city of Toronto there could be as many as 25,000 people who have deportation orders against them. Are they being rounded up? No. Are those numbers being substantially reduced? No. Can they be substantially reduced? Not given the priorities of this minister. The priorities of this minister are keeping the levels at the highest ever for Canada and the world, stressing family class immigration over independent immigration, keeping our inland acceptance rate of self–proclaimed refugees up to 50 times higher than other refugee accepting nations at a cost of over a billion dollars per year to the Canadian taxpayer. These priorities have not allowed the

direction of attention and resources toward immigration enforcement.

I told the House there are up to 25,000 outstanding deportation warrants in Toronto. To round these people up and escort them out of the country is a group of only 30 people with few tools, virtually no self–protection equipment and morale that is lower than that of any other group of public servants I have ever come across.

Even if Bill C–44 adds a few more people to the deportation rolls, it will not mean more people actually leaving Canada. Even dangerous criminals will still be able to appeal their deportation orders endlessly in the courts and to the IRB, all at the taxpayers' expense and probably with some success.

Just a few weeks ago a suspected war criminal from Rwanda was apprehended in Montreal after having successfully made it through Canada's almost non–existent screening process. He was allowed permanent resident status in Canada. This is a person who is accused of playing an instrumental role in whipping up the racial hatred that resulted in the deaths of hundreds of thousands and of ethnic cleansing of a sort not seen since World War II. Has he been deported? No. Is he in a holding cell? No. Is he in prison? No. He is on the streets, released by an adjudicator on a $5,000 bond.

Had Bill C–44 already been passed would it have prevented this sort of outrage? No, it would not have. It does not address it at all.

Over the recess a foreign criminal by the name of Inthevong who had been convicted of assault, various minor crimes and playing a role in a murder, was scheduled for deportation. He was brought before one of the minister's appointees at the IRB and was set loose on Canadian streets.

Like most Canadians I take the stupidity of the Immigration and Refugee Board for granted. Adding insult to injury in this case is the fact that the minister for immigration, the representative of the people of Canada, had the power to intervene and chose not to do it. The minister openly said that he would not intervene in this case to reverse the decision of the Immigration and Refugee Board. I find that inexcusable.

Could Bill C–44 have stopped Inthevong's release? No, but the minister could have. The problem is not a lack of legislation. The Immigration Act gives the minister of immigration a broad and unique range of powers already. However all the ministerial power in the world will not do any good when the minister does not have the guts to use it.

The Acting Speaker (Mr. Kilger): Order. I would like to take a moment to ask members to be a little more aware of the selection of words that can be used at times on issues that are sensitive and controversial but nonetheless very important.

I return the floor to the hon. member for Calgary Northeast.

• (1320)

Mr. Hanger: Mr. Speaker, legislation like Bill C–44 can even have the effect of giving the minister and the government an out, an excuse. Canadians have been asking of the minister: "Why are you not doing anything?", to which he can cynically answer if Bill C–44 passes, "I am".

Bill C–44 is an excuse. It is an out. It is a cheap substitute. This minister does not have the intestinal fortitude to do what has to be done.

The rationale behind Bill C–44 is contradictory. With Bill C–44 the minister says that the problem of criminals abusing our immigration system will be addressed. He says that Bill C–44 will allow for easier deportation. However, just a few short months ago the minister announced the creation of a task force of immigration officers and RCMP that would be charged with seeking out hundreds, if not thousands, of dangerous criminals that are in Canada illegally.

The minister has been remarkably silent about the success of the task force. He has not stood up in the House to trumpet the success of the initiative, an initiative that I said right from the start would not work.

It has not worked. Why? Because the task force is the clean–up crew for a mess that has been building for over two decades. The task force is trying to push undesirables out the back door at the same time as the front door has been left wide open, hanging by a hinge, rusting and squeaking in the wind. Also because once inside this great home that we call Canada undesirables are given the run of the place, hiding in the closets of the courts, ducking into the dark passageway of the IRB, making them untouchable, hidden by the very policy and regulation that the government has maintained from the previous government.

That is the crux of the issue. That is why the Reform Party is opposing the bill. We are not opposing it out of spite. We are not opposing it because we do not want an initiative of this minister to pass. We are opposing it because we have more than enough bills already. We have a massive series of laws on the books that were ostensibly designed to protect Canadians, to make immigration work for both Canadians and immigrants. They have not.

The House has passed a maze of laws that do nothing but allow those who have bad intentions and good legal counsel to make a mockery of Canada, to make us an international laughing stock. Every time one of the new immigration laws was passed a

minister stood before the Canadian people and said: "See, I am doing something", when in fact he or she was doing nothing but avoiding real action.

That is what is going on here. That is what the current minister of immigration is doing. That is what the government has done in so many areas. An overwhelming deficit and high taxation threaten to relegate this once great country to third world status. The response to this crisis is that the government wants to raise taxes and to make some non–offensive cuts to government spending. Then it says: "We are doing something", when in fact things are getting worse.

Crime threatens the security of our neighbourhoods and the tranquillity that Canadians have long taken for granted and considered their birthright. The government says: "Let us pass a gun control law. See, we are doing something", when in fact nothing is being done about the real problem.

We have an immigration system that is out of control. The government gives us Bill C–44 and says: "See, we are doing something", when in fact it is doing nothing at all. It is all smoke and mirrors and more of the same. It is cynical politics designed to fool the Canadian people into thinking that something is being done.

There is something that can be done. There is a way to clean up our immigration mess. The Reform Party has led the way and has put itself on the line. We have taken the high road by offering real solutions.

The IRB is a large part of the immigration problem. We have offered a solution. Disband the IRB. Subsume its functions under the minister. Take more refugees from abroad. Tighten up our inland process so that it is more in line with the determination systems of other countries and is not driven by special interests. We have offered 13 proposals which, if enacted, would make the refugee system work better for both Canadians and refugees. It is a win–win situation.

• (1325)

We have told the minister to exercise his powers to stop those that abuse the system by making appeal after appeal and to stop refugee hearings that are manifestly unfounded. We have told the government to cut the total number of immigrants to levels that are internally proportionate, numbers that the immigration department can handle, numbers that would still make Canada the world leader in immigration. We have told the government to increase the percentage of immigrants who come from the independent category.

C.D. Howe, as reported in the *Globe and Mail*, agrees with this proposal. Raising the number of independent immigrants would have the effect of making immigration a net positive for Canada. It would cut the $700 million bill for family reunification and cut the number of people who would come to Canada unchecked with questionable backgrounds.

The minister claimed to have done this but anyone able to read a column of numbers knows that he was not on the mark. The numbers of family class immigrants under the minister's most recent targets actually goes up, not down. Smoke and mirrors, more of the same.

We have offered real solutions, not bogus solutions like Bill C–44. We have said that the government and the immigration minister must be accountable. He must do more than just introduce faulty legislation that gives the impression of action without addressing any of the real problems or resulting in real benefit. We have offered solutions and they have been ignored by the government.

I urge my hon. colleagues, through you, Mr. Speaker, to vote no on this bill. Members, like the people of Canada, may have been talked into believing that the bill will solve some of the problems plaguing immigration policy today. I am here to tell them, with all sincerity and with partisanship aside, that it will not. I am here to tell them that the bill is just an excuse for inaction. It is an excuse for a minister who does not want to exercise the power already available to him, a minister who wants to pass the buck.

For those on both sides of the House who want to represent their constituents, who are truly concerned about making a difference, making government work and making government accountable, I urge members to read the bill and discuss it with people in the know from either side of the ideology fence. Once they have had their concerns validated from their own trusted resources I urge them to do the right thing and vote no on this bill.

The Acting Speaker (Mr. Kilger): Following the minister's intervention and that of the two critics, members during the next five hours will be allowed up to a maximum of 20–minute interventions subject to a 10–minute question or comment period.

Mr. Gar Knutson (Elgin—Norfolk, Lib.): Mr. Speaker, it is with honour that I rise in the House today to speak in support of Bill C–44.

Leaving my prepared text for a minute, I want to say that many of the concerns brought forward by the Reform Party relating to enforcement and the resources in the department are also shared by the minister, all Canadians and myself. We live in difficult fiscal times and budget constraints are a reality for many departments. I know that probably the finance minister was listening with real interest when people said that we should spend more money in the immigration department. The minister of immigration would probably support that.

Let me begin by talking a little about my riding. I come from an area where immigration is an important issue but certainly not one of the main issues. My riding is on the north shore of Lake Erie. It has been settled by wave after wave of immigration, like many parts of this country have been. Originally it was settled by people from Britain, primarily by Scots. More recent-

ly it was settled by the Dutch community in the 1950s. We have recently had Portuguese immigrants.

We have a long tradition of recognizing the importance of immigration to this country and to our communities. Everybody is concerned about making sure that Canada has the right type of immigrants, that we are the ones who are doing the selecting and not others selecting us. We want to have an appropriate system in place. If a criminal comes to this country and commits a crime, we want to have certain mechanisms in place. If they are a danger to Canadians this mechanism will allow us to get them out fairly quickly, with reasonable recognition that they have legal rights. We want to kick out the right people, not the wrong people.

● (1330)

That is why we want to put in place a proper process. I stand in support of Bill C–44 because I believe it does that. I am sure members will think, after listening to my speech and the speech of my colleague who spoke before me, that one of us could not have been listening at the immigration committee or one of us is patently wrong. I will try to point that out as I go along.

The key aspect I like about the bill is that it will remove the right to appeal to the immigration appeal division of the refugee board when the minister has made a determination that the person is a danger to Canadian society and has committed a crime with a maximum sentence of more than 10 years.

To understand why that is important we need to understand the process now. Let us say my colleague is a landed immigrant who commits an assault or a series of assaults. He does his time in jail. Then he comes out and the department says that it wants to kick him out. He can appeal to the immigration and appeal division and ask to stay in Canada simply on humanitarian and compassionate grounds.

Whether or not we agree with that the system as it stands now has a three–year wait. That is inexcusable. We have a process in place that says we want him out of the country because we think he is dangerous and the criminal can say that on humanitarian and compassionate grounds he wants to stay. We should have a mechanism in place that at least decides that question fairly quickly. A three–year wait is just unacceptable.

Another thing that concerns me about the immigration and appeal division doing its work is the people on the board who determine whether someone is a refugee. We would want people that would give applicants the benefit of the doubt. They should be fairly liberal in their views and have a good understanding of circumstances in other countries. I am not sure whether the same person should be putting the mechanism in place, controlling the mechanism and deciding whether to deport somebody.

I do not think anyone wants to deport someone. It is difficult to do and one has to be fairly tough minded to do it. I am not sure we want the same sort of character making judgments about who is a refugee. We want to be more liberal in our determination of refugees and fairly tough minded in our determination of who should be deported.

The criteria determining when someone will lose their right to appeal is fairly straightforward. First there is the 10–year rule, which means if a person commits a crime he has to be sentenced up to a maximum of 10 years. That mechanism will ensure we are not using this rule or law for trivial matters. Simple things like shoplifting or writing a cheque under $1,000 will not get someone kicked out of the country. That is appropriate. More serious crimes such as rape, assault and murder will get someone kicked out of the country.

Another rule being applied is that the minister must make a determination that the person is a danger to the country. While some offences, oddly enough like writing a cheque for more than $1,000, make one eligible for up to 10 years in jail, I do not think any of us would say: "We want to deport you for that". Maybe some of my colleagues across the way would say that the person should be deported for that.

Clearly the law is saying that one has to be a dangerous criminal, a danger to Canadian society, someone who we think will perhaps assault, rape or murder again. Those are the people we want to kick out of the country.

Some very difficult questions arise. I know the minister does not have an answer and Canadians will have to determine the answer. Let us say we have someone who comes here when they are six years old. Their parents, for whatever reasons, do not apply to make them Canadian citizens; they forget or whatever. These persons go through life not realizing they are not Canadian citizens. If they commit a serious crime at 25 years of age, do we kick them out, even though other persons in the same circumstances simply because their parents went through the process of making them Canadian citizens when they were seven, eight, or nine years of age did not get kicked out? They might have committed the same crime.

Say someone comes here at six months of age. They are from an Asian country or any country dissimilar to ours. Are we going to take people who have virtually lived here all their lives, except for maybe the first six months, and deport them simply because they have not become Canadian citizens?

● (1335)

Many people in Canada would say that was their tough luck and if they have committed crimes they should be put out. I am not sure it is that simple. That is something we have to work out, because there is no provision in law that if people come to this country before a certain age they will be able to stay here. The definition is clearly that if one is a Canadian citizen one stays

and if one is not a Canadian citizen and is a danger to Canadian society one has to go.

We have touched on the issue of criminality. I noted the Chair asked us to use language that was sensitive. When we talk about immigrants and criminals we risk getting into the trap of taking an identifiable group, foreigners by definition, and blaming them for things they ought not to be blamed for. There are many cases in history where people in a community have whipped up resentment against an identifiable group of outsiders, oftentimes foreigners, to support a particular political ideology. When we touch on the issue of immigration and criminals we risk getting into that game.

By way of a backdrop, I want to point out that the overwhelming majority of immigrants and refugees are decent, hard working and law–abiding people. They appeal to Canada for protection because they need our help. Others come to contribute to Canada's economic progress while others seek to be reunited with their families.

However there are exceptions. In recent months there have been a few highly publicized cases of criminals claiming to be refugees, and refugee claimants and immigrants breaking our laws while in Canada. It needs to be understood that these are the exceptions.

If we look at Canadian jails and survey whether the people in our jails were born in Canada or elsewhere, we discover that the immigrant population in our jails is lower than the general population as a whole. Statistics show that immigrants who come to the country are hard working. Oftentimes they are more hard working than the general population as a whole and commit fewer crimes. That does not mean there is not the odd exception, and this bill is about dealing with the odd exception. The government takes these exceptions seriously. The government is taking a number of steps to ensure the system is not open to abuse and that Canadian society is protected.

My friend across the way indicated in his remarks that the minister could kick someone out whenever he wants. The member has his facts wrong. I know the heckles are about to start. Let us say a landed immigrant or a permanent resident—and these words can be used interchangeably—commits a crime and does a sentence. Let us say the person is a danger to society. The government can bring about a process fairly quickly to have him deported. However the person can ask to have it stayed and appeal to immigration and Refugee Board on humanitarian grounds. Such persons can say: "I am sorry. I throw myself on the mercy of the country". Maybe the person has a wife or children here; maybe he has a job and circumstances have changed. He can bring forth all sorts of arguments. Unfortunately, as I said, that is a three–year delay. In law, the minister does not have the right to interfere in that process. That right to appeal is in the Immigration Act and is in law and the minister must follow the law.

My colleague across the way has said that the rules in place now will do the trick. Unfortunately he is wrong. They will not do the trick, but Bill C–44 will take a step forward in terms of helping to deport landed immigrants who should be deported.

The government has proposed changes to the immigration law that will help prevent immigration fraud and abuse by criminals. Among the most important amendments are changes that prohibit people convicted of serious crimes from claiming refugee status. It also has to be determined that they are dangerous. This applies whether the crime took place in Canada or anywhere else.

It will remove from the immigration and refugee board the power to allow serious criminals to be in Canada on humanitarian and compassionate grounds and to give the minister or his delegates sole authority to do so. This means we can move fairly quickly.

My colleague across the way has suggested that they will still be able to appeal. He has that part right. They will still be able to appeal to the federal court on issues of law, not on issues of fact and law. They will be able to appeal to the federal court, but if they took some time to examine the federal court process they would find they need to have leave to appeal to the federal court. It is not a right. Instead of taking three years, which is the case under the current system, that process will take about 30 days. They may say that three years or 30 days makes no difference, but most Canadians will say that a faster process is a better process.

• (1340)

Had they asked that question at the immigration committee they would have found that this is a much quicker process. If they do not believe me, I encourage them to check it out.

Because it is done by appeal the federal court can deal with it by leave. The federal court can deal with it very promptly. They will not be able to appeal on humanitarian and compassionate grounds. Appealing on law is a very technical appeal. It is not something that is easily done. It is not something that can be done summarily or just on a whim. It has to be based on clear legal arguments.

It is different from an appeal on humanitarian and compassionate grounds. I might ask my colleagues across the way to appreciate the substance of the difference, to appreciate that it is an important difference, and to give the government credit for changing the process from three years to 30 days.

How serious is the problem? It is very serious. Right now the government estimates there is probably about 1,200 people whom it would like to deport and not give the right of appeal to the immigration and refugee board on humanitarian and compassionate grounds. Six hundred of those people are in jail.

Many people in my community want to see the government get the bill through quickly and bring about a process by which these people will be deported because they are a danger to Canadian society.

What else is the act going to do? As my colleagues have mentioned, it is going to give immigration officers the power to seize identity documents from the international mail that might be used by impostors for fraudulent and improper purposes. My colleagues have made the argument that the staff is under–resourced. Yes, it is. The police department can say it is under–resourced, that it does not have enough police to do the job. Does that mean that the law itself is bad? Does that mean giving them the power to do it is bad?

If the Reform Party wants to make an argument to spend more money on our immigration department, it should make it to the finance committee. It will be part of the budget considerations, and away we go; it may actually see something happen.

The act will make sure a person can have only one refugee claim process at a time. This makes common sense. Someone wanting to abuse the system can put in a refugee claim in Vancouver and perhaps open a file in Toronto or wherever. Also the act will make sure that any application for citizenship is put on hold until all immigration investigations or proceedings are completed.

I come to another point mentioned by my colleague. A citizenship and immigration—RCMP task force has been established in Montreal, Toronto and Vancouver to co–ordinate and ensure the removal of people with serious criminal convictions who have evaded removal orders. Local police will assist the task force to which 20 RCMP officers have been assigned: 12 in Toronto and 4 each in Montreal and Vancouver.

Again they can make the argument that it is not enough. They come up with a figure of 25,000 removal orders in Toronto. Let us say my friend sitting beside me is a landed immigrant whom we want to kick out and he says: "Fine, I will leave". We do not have a mechanism in place or we do not have controls at our border watching the people leave. It may well be that he leaves, but unless he tells us that he has left we do not know whether he has.

To suggest that because there are 25,000 removal orders none of these people have left simply on their own recognizance is really playing with the facts. It is trying to whip up hysteria in Toronto that there is a massive underground of illegal immigrants and dangerous criminals when the truth of it is not anywhere close to that. There is a problem. Let us deal with the problem but let us not inflame it with numbers like 25,000. It is ridiculous.

• (1345)

I come back to my point that 12 RCMP officers are not enough. If we give them good law to work with let us see how they do and we can come back in a year's time and take a look.

In addition, the Standing Committee on Justice and Legal Affairs is examining the question of how immigration should respond to young offenders who are not Canadians citizens convicted of a serious crime. That is a tough one. We are going to kick someone out who is 12 or 13 years old. Maybe their parents have not done anything, are permanent residents, landed and are not Canadian citizens yet. What are we going to do to a 13–year–old who commits a serious crime of assault? I do not know. I do not know that the minister knows. I do not know that any of us in this Chamber really knows. At some point we are going to have to try to exercise the wisdom of Solomon.

The government believes that immigration is a benefit to Canada and that Canada should maintain its international reputation for assisting refugees and welcoming immigrants. However, the government also believes that a good immigration program must promptly manage to protect Canadians. The government is committed to move as quickly as possible to make these changes to ensure the integrity of the Canadian immigration and refugee system.

In closing, I would point out to Canadians that I think there is real substance in this bill. Taking away the right to appeal on humanitarian and compassionate grounds in some very specific circumstances I think is the right thing to do where someone is clearly a danger to Canadian society.

When we talk to the immigrant communities they are tired of being tarnished with the brush of being what some people in the political spectrum want. They know when immigrants commit crimes that good, hard working new Canadians are often the ones who bear the penalty the most. They are the ones who want to make sure that hard working decent immigrants or new Canadians are the ones who want fairly tough criteria for deporting people and that serious criminals are actually deported promptly without much delay. If the Reform Party would actually look at the substance of the bill and do its homework it too would support the bill.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, I am very interested in the member's comments regarding the front end concerns about the Immigration Act enforcement. It appears the member never availed himself of the opportunity of going to a border crossing for instance and watching the process of refugee claimants coming in from the United States. They

come in with no documents. They have no means of identification and no support systems per se to assist immigration officers in determining who they really are.

I am wondering if the member really understands the importance of determining who these applicants really are who come through because there is no identification, because it is an unknown quantity. What does the hon. member have to say about that when it comes to this background check that he alludes to and that the minister should not have the power to remove someone if they are determined to be a danger to society?

Could the member please describe to me how he would get around this aspect once the individual is here and has gone through his claim and his appeals when there is no means of really determining who the individual is?

Mr. Knutson: Mr. Speaker, I will respond to my colleague's question but let me say this. The guts of what this bill is about—

Mr. Mayfield: You cannot use that word here.

Mr. Knutson: The pith and substance. I do not want to be too high falutin because as my colleagues have said they are not legal experts. I use the vernacular instead of using a term that might have been used in the Supreme Court of Canada.

The pith and substance of what this bill is about is really taking an appeal process that has been dragged out to three years to non–lawyers, non–judges, the Immigration and Refugee Board, an appeal process on humanitarian and compassionate grounds and saying in some very narrow circumstances where someone has committed a serious crime that will get them more than 10 years in jail maximum sentence and they are considered a danger to society, taking that appeal process and reducing it to virtually 30 days, narrowing the terms where they can only appeal to the federal court. That is the pith and substance of this bill and that is what the Reform Party should be supporting.

• (1350)

My colleague is absolutely right. I have never been to a border crossing and looked at the refugee determining process and what happens when someone shows up without documents. My view is that we should hold them in detention and should not let them go until we know who they are. I would certainly be happy to sit down with my colleague and look at the Immigration Act and look at the system that is in place and try to work something out that is reasonable. I agree, we should not be letting just anyone in. If they do not have documentation or cannot prove who they are then we should be concerned about that.

However, to re–emphasize my point, that is not what this bill is about. This bill is about people who apply on humanitarian and compassionate grounds to the refugee board and Canadians do not want to give them the right to do that. They have said:"You are a danger to Canadian society and we want you gone from our land".

Mr. Hanger: Mr. Speaker, I have an outline here from an individual who was removed from the country after the minister issued a security certificate to have him removed. The power is already there for the minister to do something about it.

In Calgary alone six foreign criminals have been deported. Their backgrounds include cocaine dealers, pimps, weapons charges, assault, you name it. The power is there to remove already. The minister is not exercising his powers to remove.

I would like the hon. member's comments with regard to section 46 of the act where it states we can remove. Why are we going through this?

Mr. Knutson: Mr. Speaker, we disagree on that one fact. The member is saying that the appeal to the refugee board does not stay that proceeding and I say it does. However, I will get a reference and send it to him.

Clearly this act takes power away from the refugee board and puts it in the minister's office. If he was not responsible before, Canadians can now look to him and say that he is the one they are relying on to deport dangerous criminals who are not Canadian citizens. That law will narrowly focus it on the minister and on the government and they can take responsibility for that.

[*Translation*]

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, I wish to ask the hon. member why the current law is not being implemented in its entirety. Why does the minister not use all the legal and administrative means at his disposal? Does the current law not allow us to deport war criminals, Nazis or people who have violated human rights elsewhere?

Why is the minister not taking such action now and why does he need a new law? Why does he not make more effective use of the officials, local police and RCMP officers on the working groups he has created in Montreal, Toronto and Vancouver? Why does he not make more of an effort to motivate officials who are very disappointed?

As a result of the cutbacks and office closures at the Department of Citizenship and Immigration, morale is very low. People are likely to face even more staff cuts in the upcoming budget. It has been said that 100 jobs will be cut at the IRB alone, where there are not many jobs to start with. Why not motivate staff, why not use all the available means and eliminate the need for a piece of legislation as drastic as Bill C–44?

[*English*]

Mr. Knutson: Mr. Speaker, in another form that is the same question the Reform Party is asking. It is saying the minister has the power and that he should just use the current act.

• (1355)

I would like to point out that under the current act, under the current law, if somebody is convicted of a crime after they have served their time in jail they can apply to the Immigration and Refugee Board on humanitarian, compassionate grounds to defeat their deportation from this country. That process now takes three years. There is a three–year delay. Under this new law the process will probably be reduced to about thirty days. There are about 1,200 people the ministry or the department has, at least on first glance, determined could be dangerous criminals we want removed. This bill will do it.

With regard to the issue of the immigration department being understaffed and needing more resources, I will not dispute that with anyone. I will not dispute it with my colleague. I will not dispute it with the Reform Party. I am not responsible for that decision. I would suggest that you make your argument to the finance department or to the finance minister. I am sure the minister of immigration, if he were here, would be quite happy to be getting extra resources for his department.

The last issue is that he used the word draconian. I do not think the measures are draconian at all. First of all, the person has to commit a crime that will get them a maximum of ten years in jail. That raises one threshold. The second threshold or test that they have to meet is they have to be considered a danger to society. Clearly we are not going to be throwing out the person who simply steals a television that is worth more than $1,000. Clearly we want to go after the people who are committing assaults or murders or rapes or a whole bunch of other types of crimes for which Canadians have no appetite to have these people kept in our country.

Mr. Hanger: Mr. Speaker, a concern that is on the minds of many Canadians is the fact that when we do have violent criminals under deportation orders they are never removed because of a lack of being able to obtain a travel document. From this member I would like an explanation as to why or how Bill C–44 is going to address this concern.

I have a list of probably a dozen very violent criminals, some of whom have been convicted of murder, who are walking our streets because travel documents cannot be obtained to get rid of them. I want this member to explain to me how Bill C–44 is going to deal with that.

Mr. Knutson: Mr. Speaker, first of all, I acknowledge that it is a legitimate concern and that the hon. member has raised a legitimate point. The short answer is that I do not know. That is not what the guts of the bill are about. It is not about sorting out the technicalities of travel documents.

Let us say we have someone who came over when they were six years old. They grew up here. They are not a Canadian citizen. Then they commit a very serious crime. The country we are going to send them back to does not want them back. It considers them to be Canadians and is not going to give us the travel documents to send them back. We have a policy in this country of simply not putting someone on an airplane, sending them off to somewhere and simply leaving them there. Then we get into a game. We send them there, they send them back, we send them there. Who knows where the person disappears to. We cannot kick someone out of the country if we are going to make them stateless.

There is a mechanism that we have to follow. There is a process. If the country on the other side does not co–operate, I agree it is a problem. I do not have the answer.

[*Translation*]

Mr. Nunez: Mr. Speaker, about the expression "danger to the public in Canada", the minister will be able to prevent an appeal by saying that the person constitutes a danger to the public in Canada. This is very ambiguous and subjective. Who will decide who constitutes a danger to the public in Canada? Will it be the minister, his officials, the RCMP, CSIS? Who? This is a very dangerous concept, Mr. Speaker.

[*English*]

Mr. Knutson: Mr. Speaker, I agree with my hon. colleague's point. It is something we have to be very concerned about. I would remind him though that it is not the only threshold; it is not the only test. The first thing the person must have done to get into the problem is to have committed a crime where they would have received a maximum of 10 years in jail or more. Then the department would make its finding that they are a danger to Canadian society.

I appreciate the member's worries and concerns and we will have to watch the system as it develops.

The Speaker: It being 2 p.m., pursuant to Standing Order 30(5), the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[*English*]

BLACK HISTORY MONTH

Mr. John Murphy (Annapolis Valley—Hants, Lib.): Mr. Speaker, the month of February marks the occasion of Black History Month. It offers an opportunity to acknowledge the important role played by black Canadians and African Canadians in the development of this great nation.

In my riding of Annapolis Valley—Hants the Black Education Committee of Kings County and the Windsor Plains Recreation and Development Committee promote and organize meaningful events all year round.

Special events to mark Black History Month include a career expo and a black history day. I believe that events such as Black History Month promote a greater awareness of our proud multi–heritage background. This in turn fosters stronger relationships within Canada.

I wish to congratulate those groups in my riding and indeed across Canada who have worked so hard to make Black History Month a success. Their efforts have truly made Canada a better place.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, we strongly denounce the action of Liberal MPs and of the Minister of Canadian Heritage, who took advantage of a meeting with the Chairman of the CBC to discuss coverage of the referendum campaign.

The Liberal members displayed, to say the least, a lack of subtlety by linking the financing of the French network of the CBC to a pro–federalist referendum coverage. In fact, this is unjustifiable interference in the network's affairs. We wonder whether the Liberals are implementing the directives of the current Minister of Foreign Affairs who, back in April 1977, said this in an interview: "I do not want the network to adopt a neutral stance in presenting both sides of the issue. When the referendum comes, the employees must unequivocally be pro–Canada in their coverage".

This is obviously a case of déjà vu.

* * *

[*English*]

WORLD JUNIOR HOCKEY CHAMPIONSHIPS

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, it is my pleasure to rise today on this first day back to Parliament to pass on some congratulations that are now long overdue to a wonderful group of young Canadians. They made all of us very proud over the holidays.

Shortly after Christmas my riding of Red Deer hosted the world junior hockey championships which the Canadian juniors not only won but were the first team in history to do so undefeated. This team did not have any one star who stood apart from the rest; they all pulled together and got the job done.

With the championship won, our junior players shared the pride of having won gold for Canada. Players from all across our country, east to west, including Quebec juniors like Alexandre Daigle and Eric Dazé, stood out as a unified team that took the world on and won.

Our world juniors have shown all Canadians what we can accomplish when we work together. There are no special stars needed, just hardworking team players. Nothing can stop Canadians who pull together and our world juniors proved it.

* * *

COPYRIGHT ACT

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, recently the minister of heritage announced plans to introduce legislation that will amend the Copyright Act.

In his announcement the minister mentioned there would be reforms that would include some neighbouring rights for producers and performers for the use of their creations. The neighbouring rights amendments will have a negative impact on the private radio broadcasting industry which could result in the closing of radio stations and job losses.

A government study has been released by the Department of Canadian Heritage which mentions that higher copyright payments will seriously hurt most and put some radio stations out of business. If this government study is correct, I ask the minister why he continues to implement such legislation.

This Liberal government continues to renege on its election promise of creating jobs. All this government has done since its inception is eliminated this country's permanent infrastructure of long term jobs and replaced it with short term infrastructure jobs.

• (1405)

I urge the minister to reconsider tabling such legislation that will have a devastating impact on private radio broadcasters.

* * *

12 MILE CREEK AND MARTINDALE POND

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, for years residents of St. Catharines have questioned the environmental status of 12 Mile Creek and Martindale Pond.

On January 27 the efforts of three levels of government and the private sector came together in a detailed five volume report on Martindale Pond, home of the Royal Canadian Henley Rowing Regatta.

Congratulations and thanks go to Environment Canada and Public Works for supporting this important environmental study. Thanks also to the province, the city of St. Catharines and to the Canadian Henley Rowing Corporation which were the federal government's partners.

This project shows what can be achieved when governments and the private sector work together to meet local environmental needs.

As a result of this excellent work, St. Catharines has been chosen as the Canadian bid for the 1999 World Rowing Championships.

We are "pulling together to bring the world back to Niagara" for class A rowing.

* * *

UNITED STATES ENTRANCE FEE

Mr. David Iftody (Provencher, Lib.): Mr. Speaker, today President Clinton introduced a budget measure that would in effect charge each and every Canadian $1.50 U.S. or $3.00 per car to enter the U.S.

The U.S. administration will seize Canadian dollars and use them to beef up security at the U.S.–Mexico border. Essentially, it looks to me as though the U.S. government wants to tax Canadians to solve its security problems at the Mexico border.

These measures are a violation of our agreements which allow the free movement of goods and people across our borders. This is an illegitimate tax grab by the U.S. government and an insult to Canadians who respect reciprocal cross–border freedom for Canadians and our American neighbours.

This is a further irritant to the already strained Canada–U.S. relations. It should therefore be struck down by Congress and taken off the U.S. budgetary table.

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DRUNKENNESS DEFENCE

Mr. Jim Jordan (Leeds—Grenville, Lib.): Mr. Speaker, there is real concern in the riding of Leeds—Grenville as I know there is across the nation about the recent court decision to allow extreme drunkenness as a defence against serious crime.

Residents from all walks of life are continuing to raise concern over what appears to be a serious loophole in our legal system. They are asking the justice minister to begin immediately to make the necessary revisions in law to prevent what appears to be a serious miscarriage of justice.

Constituents who have contacted me in this regard did so in the form of a petition but unfortunately it was lacking in proper form. Therefore, I am using this procedure as an alternate way of expressing their concern to the justice minister.

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[*Translation*]

LIBERATION OF AUSCHWITZ–BIRKENAU

Mrs. Christiane Gagnon (Quebec, BQ): Mr. Speaker, on January 18, the whole world remembered the horrors of the Second World War. That day marked the fiftieth anniversary of the liberation of the survivors of the Auschwitz–Birkenau concentration camp.

It cannot be too emphatically stated that this concentration camp was used by the Nazis to exterminate over a million prisoners, more than 90 per cent of whom were Jews. We want to remind this House that these tragic events are an important part of our history, and we hope that such atrocities will never occur again.

The Bloc Quebecois wishes to take this opportunity to declare our solidarity with the families of these victims, and particularly to the Jewish people who suffered so much during that tragic episode in the history of mankind.

* * *

[*English*]

GUN CONTROL

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, we live in a tolerant and compassionate society. It is so compassionate that Denis Lortie could steal an automatic weapon from the army, terrorize a provincial legislature, murder three strangers, wound several others and end up back on the streets in 10 years.

There are however limits to compassion. Under the justice minister's gun control proposals a farmer who neglects or refuses to register his single shot .22 could be sentenced to a year behind bars for inconveniencing the bureaucracy.

The inmates really have taken over the asylum.

* * *

• (1410)

UNITED STATES ENTRANCE FEE

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, I want to draw the Prime Minister's attention to the President of the United States who in a desperate effort to raise funds has decided to impose $1.50 U.S. head tax on all Canadians visiting the United States. He is also planning to ask for $3 U.S. for every vehicle crossing to the United States.

This flies against the tradition of an open border between Canada and the United States. It flies in the face of the free trade agreement signed by the United States.

When the Prime Minister meets with Bill Clinton later this month he should say: "Take this off the budgetary table. Canadians simply will not tolerate this poke in the eye with a sharp stick by the President of the United States".

* * *

THE LATE JEFFREY SECTER

Mr. Barry Campbell (St. Paul's, Lib.): Mr. Speaker, I rise today to speak of Jeffrey Secter, a constituent of mine who was murdered last month in the Dominican Republic.

Jeffrey was a remarkable man who gave of himself for the betterment of the larger community at every turn. He was founder of the charity, Friday's Child. He was an active volunteer at Bloorview Children's Hospital taking disabled children on trips and to events. He was involved with the B'nai Brith as well, acting as the chair of its community volunteer services and vice–president of the Toronto Freedom Lodge.

Jeffrey touched many people's lives and will be sorely missed. He was an example to all Canadians. I am sure all members of this House will want to join me in sending our condolences to his family and friends in both Calgary and Toronto.

* * *

PROFESSIONAL INSTITUTE OF THE PUBLIC SERVICE

Ms. Marlene Catterall (Ottawa West, Lib.): Mr. Speaker, back in 1920 the Professional Institute of the Public Service of Canada was founded as an organization to protect the interests of the professional public servants affected by a complete government reorganization which was going on at that time.

Today as the institute celebrates its 75th anniversary, members are still fortunate to have the support of their institute as our government goes through yet another period of major change.

PIPS members are the biologists who help protect our wildlife. They are the commerce officers who study Canada's economic development. They are the veterinarians who ensure that Canadians get wholesome meat products on our tables. They are the engineers and architects who make sure that our roads, bridges and air terminals are safe.

As elected representatives it is important for us to recognize and appreciate the excellent work these federal public service employees do to make Canada a better place to live in and to congratulate PIPS on its 75 years of dedicated service to its members and to Canada.

* * *

[*Translation*]

BROME—MISSISQUOI

Mr. Patrick Gagnon (Bonaventure—Îles–de–la–Madeleine, Lib.): Mr. Speaker, next Monday, February 13, the voters in the riding of Brome—Missisquoi will choose their next member of Parliament.

In the information pamphlet that he has had printed and distributed for his campaign, the Bloc candidate for Brome—Missisquoi says, and I quote: "The Bloc Quebecois must keep its status as the official opposition in order to hold on to real power in Ottawa. Right now, there is only one seat between the Bloc Quebecois and the Reform Party. If we lose Brome–Missisquoi, we could lose our power in Ottawa".

By linking his possible defeat to the loss of his party's status as the official opposition in the House of Commons, the Bloc candidate is not presenting the facts accurately. Even if the Liberal Party of Canada wins the two by–elections now under way in Quebec, and I am sure they will, that will in no way change the Bloc's status as the official opposition.

Only by electing the Liberal candidate on February 13 will the voters of Brome—Missisquoi finally acquire real power in Ottawa.

* * *

REGIONAL COMSULTATIONS ON QUEBEC SOVEREIGNTY

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, today marked the beginning of the regional consultations on Quebec sovereignty.

The Bloc Quebecois is proud to be associated with this highly democratic exercise in which all Quebecers, whatever their origin, their language or their political affiliation, will have the opportunity to discuss, ask questions and obtain information about the draft bill on Quebec sovereignty.

The discussions that will take place throughout Quebec, and that will include both the elderly and young Quebecers, will enrich the democratic debate on the sovereignty question and extend it to all groups and levels of Quebec society.

It is in this context of exchange that we applaud the courageous and pragmatic decision of the Greek, Italian and Jewish communities to take part in the process. They deserve our utmost respect and admiration.

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[*English*]

DANGEROUS OFFENDERS

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, on January 6 Melanie Carpenter was working alone at a tanning salon in a busy mall in Surrey, B.C. In the middle of the afternoon it now appears likely that Fernand Auger entered the business and kidnapped her. Driving near the town of Yale, Auger pulled into an access road near the Fraser River where he sexually assaulted Melanie. Then with her hands tied behind her back he cowardly and brutally stabbed her to death.

• (1415)

Auger solved one problem by killing himself, but many questions remain unanswered. He was a convicted sex offender who the Correctional Service of Canada deemed to be a high risk offender. However, despite this prognosis the law required that Auger be released.

Why do we have a law that requires the authorities to release offenders that they know are likely to re–offend? Offenders who are likely to kill a Melanie Carpenter or a Pamela Cameron.

Over the past four months two young Surrey women have been murdered, two deaths that were preventable. We must act now before there is another.

* * *

BLACK HISTORY MONTH

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, February is Black History Month. Canadians across this great country are coming together to celebrate the rich and spirited heritage of black people.

Blacks have been contributing to Canadian society from as early as 1603 when Samuel de Champlain sailed up the St. Lawrence with his interpreter Matthieu Dacosta, a black man from the Azores who had already established links with the aboriginal people and knew their languages and customs.

Black soldiers helped defend Upper Canada against invading Americans in the war of 1812. The first Canadian sailor to receive the Victoria Cross was Mr. William Hall, a black man. The first woman to publish a newspaper in Canada, in 1853, Mary Ann Shadd was a black woman.

Blacks, both French and English worked to build Canada. They built railroads, they worked on the trains, they were inventors, farmers and scholars. They were elected representatives.

I ask all hon. colleagues to join with me, not only to recognize Black History Month but to develop a stronger understanding of the experiences and contributions of black Canadians.

* * *

LIEUTENANT–COLONEL PETER KENWARD

Mr. Leonard Hopkins (Renfrew—Nipissing—Pembroke, Lib.): Mr. Speaker, Lieutenant–Colonel Peter Kenward, commander of the Canadian Airborne Regiment at Petawawa has been awarded the Order of Military Merit for his work as an outstanding soldier and officer.

This career infantry officer took over command of the Airborne Regiment in September 1993 and has done an excellent job in bringing good discipline, the usual high degree of training and dedication to the regiment.

For his outstanding and upbeat achievements, Colonel Kenward will receive the Order of Military Merit from the Governor General of Canada, particularly for his achievements in bringing the Canadian Airborne Regiment up to first class standards.

The incidents by a mere handful of the regiment that the mass media of this country has used to tear an outstanding Canadian military regiment apart occurred before Colonel Kenward took command.

We and all present members of the airborne congratulate him and thank him for his fine leadership and other qualities as an excellent officer, solider and Canadian.

* * *

NATIONAL UNITY

Hon. Audrey McLaughlin (Yukon, NDP): Mr. Speaker, this year will be a crucial one in the history of Canada, presenting us with formidable challenges, not just in the economic and social areas but about the very unity of our country.

Certain things have set Canada apart. The principles of equity and fairness have translated into programs that reflect our values as Canadians. Equalization payments to those provinces and territories that are less privileged established the principles of regional fairness.

Being a Canadian and the right of citizenship is not based on where you live and whether you are rich or poor. Yet instead of maintaining these principles, the federal government is clearly contemplating destroying the very fabric that binds us together as a nation by turning over health and social programs to provinces and territories without national direction and standards.

I challenge the Prime Minister to show all Canadians that the federal government will stand in the national interest, not simply promote regional disparities.

The Speaker: Colleagues, welcome back to the House of Commons and welcome to 1985.

ORAL QUESTION PERIOD

[*Translation*]

SOCIAL PROGRAM REFORM

Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ): Mr. Speaker, the social program reform scheduled for last September has already been postponed once. Now, after more than a month of consultations, the government is further postponing this reform it had promised to implement in the upcoming budget. It is well known that cabinet and the Liberal caucus are seriously divided on this issue.

• (1420)

My question is for the Minister of Human Resources Development. Since the Prime Minister maintains that social program reform is still on the agenda, can the Minister, who is unable to sell his reform plan to cabinet, and the Minister of Finance in

particular, tell us now what the revised timetable for his social program reform will be?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I must say that the Minister of Human Resources Development has done a terrific job and that he has the confidence of all his cabinet colleagues. Never has there been so much consultation on a fundamental reform that will bring about changes in Canada.

Naturally, the Bloc Quebecois will promote the status quo. But these changes are under way, and the committee is expected to table its report at three o'clock this afternoon. So, it is a bit much to ask a minister to prepare for such changes before the committee report has even been tabled. To adopt such a stance in this House does not show much respect for the democratic process.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, there certainly is no shortage of consultations. But the minister himself said on television last week that his reform plans had to be delayed because Canada's financial situation makes any real reform of social programs impossible. That is what the minister himself, true to his own way of showing respect for the democratic process in this House, stated outside this House.

Does the Minister of Human Resources Development recognize that social program reform has been cast aside not only because of the budget but mostly because of the Quebec referendum, as the minister knows that his reform will affect thousands of Canadians and Quebecers who are among the most disadvantaged in society?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, the hon. member is engaging in some very unfortunate speculation.

At no time did I say the reforms were postponed. There may have been a headline writer or two who made that judgment but I certainly did not say it. We said that we had to have the committee report that we will have today. We will examine the recommendations in the report very carefully.

We will begin discussions with the provinces in terms of their putting forward a proper new blueprint and design. There will be a budget which we know will establish a new sense of economic confidence in the integrity of the country. That is the best platform and basis for undertaking social reform.

We will be following our timetable which is to bring in new legislation dealing with social issues this fall. It is exactly the timetable we laid out a year ago and it is a timetable we are still on.

We would only hope that the Bloc Quebecois and other members in the House will learn and be willing to participate in what should be and can be one of the most important initiatives in the country.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, my third question is for the Minister of Finance, who will have the final say on social program reform. In that sense, he is the real human resources minister.

Can the Minister of Finance give us the assurance that his next budget will not, once again, target the unemployed, with further cuts in benefits and increasingly restrictive eligibility requirements for UI, as his first budget did?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Following the last budget, Mr. Speaker, more than 438,000 jobs were created in Canada. This is the best performance in a decade. I am quite confident that we will see the same results after the next budget.

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, my question is for the Minister of Finance.

Let me just say quickly that, contrary to what the Minister of Finance just said, it is not 400,000 jobs, but an annual average of 261,000 jobs, a total which has been verified over and over again. Rumours are spreading about the upcoming budget.

• (1425)

It is even being said that a document from the Department of Finance proposes that the federal government completely withdraw from financing some social programs without, of course, transferring to the provinces equivalent financial resources allowing them to take over from the federal government. I remind you that Ottawa has deprived the Quebec government of more than $12 billion since 1982 by cutting into transfer programs.

Does the Minister of Finance confirm his intention of transferring responsibility for some social programs by putting an end to his financial contribution without full financial compensation for the provinces, which would effectively amount to offloading his deficit onto the provinces once again?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, not only are the figures I just quoted accurate, but I might add that 82,000 jobs were created in Quebec in 1994, the best performance since 1988.

Moreover, am I to understand from the question that the hon. member is in favour of the status quo? We, on the other hand, stand for change and for reform.

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, if we compare December with December, the figures are accurate, but the Minister of Finance is supposed to know that the figures we are referring to represent the annual average, which is 261,000 jobs, including 70,000 in Quebec.

Does the Minister of Finance not realize that such actions on his part would be totally irresponsible since he would be reducing transfer payments for education, health and social assistance, leaving the provinces with the extra burden while imposing national standards that are more and more restrictive under the circumstances? Is this what you call flexible federalism?

[*English*]

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, it is quite interesting that the member opposite and I are engaged in a debate as to whether the job creation record of the government in its first year of operation is the best record in five years or the best record in 10 years. But it is the best record we have seen in one heck of a long time.

The Minister of Human Resources Development made it very clear when he embarked on the program of social security reform that we intended to bring it into the nineties, that we intended to make social security reform a very important part of the job creation capacity of the country and a very important part of the overall program of the government.

I support what the minister has done. He has had the courage to deal with fundamental and far reaching changes. I find it very difficult that a party opposite is so rooted in the status quo, in the 1940s, that it fails to understand what the Canada of the future means.

Mr. Speaker: At the beginning of the period I said welcome to 1985 because in 1985 they had very long questions and very long answers. But in 1995 I am sure we are going to shorten both. The hon. member for Beaver River.

* * *

THE ECONOMY

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, we are glad to be here in the first period.

Canadians are among the highest taxed people in the world. Over 50 per cent of our pay cheques go to the tax man in one form or another. That is more than food, shelter and clothing combined. That would be more than enough but evidently it is not enough for this finance minister. He seems ready to add to our crippling tax load in this month's budget.

Canadians are not going to take it any more. Their message is no tax increases, period. Will the Prime Minister listen to Canadians and immediately rule out any tax increase in this month's budget?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, members of the Reform Party are very desperate. They set the target there to be in the news because they cannot really attack the government.

The hon. member should be patient—

Some hon. members: Oh, oh.

Mr. Chrétien (Saint–Maurice): No, they cannot. Now they say that we will increase the taxes. Even I do not know. The budget will be later in the month. I will discuss that with the Minister of Finance.

• (1430)

Again the Reform Party will have to recognize that the Minister of Finance last year predicted that growth would be 3 per cent. It turned out to be 4.2 per cent. Inflation has been zero. Unemployment went down from a prediction of 11.1 per cent to 9.6 per cent.

We have a big problem, the debt. In the previous nine years before we arrived the previous government accumulated $300 billion of its own debt. We have a problem with that. We all recognize it. We will do what we said we would do in the red book. We will meet our target of 3 per cent of GDP next year.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, aiming at a target of going $25 billion per year in the hole is hardly considered noble.

The Prime Minister says to wait until the budget. That is of little comfort to Canadians. Why should home buyers who have seen their monthly mortgage rates go up over $200 wait until the budget? Canadians want this government to act now. They have wanted it to act for over a year.

The finance minister is not dealing with abstract numbers. He is dealing with the lives of real people, not just balance sheets.

Will the Prime Minister send a clear signal to Canadians and tell them that their tax burden will not be increased by his government in its upcoming budget?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, nobody can say what will be in the budget until it is tabled in the House of Commons. It will be before the end of the month. It is going to be another good budget through which this government will meet its targets.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, when it comes to putting our national house in order, leadership should come from the top. We have seen precious little leadership from this government.

After 18 months the gold plated MP pension is still in place. The bureaucracy is still spending wildly on new fax machines, office renovations and computer software. Over 100 loyal Liberals have sallied up to the trough to collect their government patronage positions. The government has the nerve to ask Canadians to pay more money into taxes.

Wait until the budget is one thing. What about these practical steps? When will this government start leading by example? When will the minister reform the MP pensions and put the brakes on out of control government spending?

[*Translation*]

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, one party accuses us of cutting too much, the other one wants us to cut deeper. I am confident that when the budget is tabled, the Liberal Party will, as always, find a middle ground and will not make indiscriminate cuts, nor go to the other extreme of refusing to control government spending.

We gave a clear idea of where we stand in the last budget and we will do it again in the upcoming one.

* * *

POST-SECONDARY EDUCATION

Mr. Antoine Dubé (Lévis, BQ): Mr. Speaker, my question is for the Prime Minister.

Last Thursday, Quebec's National Assembly passed a resolution denouncing proposed federal cuts in post-secondary education and asking the federal government to withdraw from that sector and give Quebec the tax points equivalent to the level of Ottawa's current financial contribution to that sector.

Given the differences of opinion of the Minister of Finance and the Minister of Human Resources Development, can the Prime Minister tell us if his government will give a favourable reply to the National Assembly's request?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, it would be very important for the hon. member to relay the message he has just delivered to colleagues in the Government of Quebec. Just before Christmas, as he will well know, it announced it will be cutting $1.5 billion from health services, social services and education.

It would seem to me that if any government is going to take its responsibility, the question should be asked of the provincial Government of Quebec.

[*Translation*]

Mr. Antoine Dubé (Lévis, BQ): Mr. Speaker, I remind the Minister of Human Resources Development that the motion was unanimously approved; in other words, it was also supported by the Quebec Liberal Party.

Are we to understand that, by refusing to provide a clear answer, the federal government persists in wanting to eliminate cash transfer payments and instead allocate part of these funds to the Canada Student Loans Program, without any regard for the exclusive jurisdiction of the provinces over education?

• (1435)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, again they should wait for the budget. To wonder whether the government will do this or that is to speculate. A budget will be tabled and the hon. member will have the opportunity to look at it. I find it unbelievable that, at a time when it is being rumoured that there will be more room to maneuver and more freedom of action for the provinces, the Bloc Quebecois wants to maintain the status quo. That makes me very happy indeed.

* * *

[*English*]

TAXATION

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, this government has had 16 months to do nothing and it did. The Canadian Manufacturer's Association told the Minister of Finance that governments do not create jobs, customers do.

This government is talking about increasing taxes to the customers, taking money out of their pockets. Does the Minister of Finance not realize that increasing taxes will only kill jobs in this country?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I appreciate very much the hon. member's question. I know that he is a very sincere member and he is very sincere in the questions he asks.

One likes to check what other governments have done. It was very interesting that the Government of Alberta, when the member asking the question was a member of that cabinet, had a series of budgets that substantially increased the tax burden on Albertans.

The question I would like the member to explain to me is what is the difference between the taxes that were introduced by that government and the taxes that he is attempting to forestall now?

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, the hon. Minister of Finance should also recognize that this minister at

that time cut a billion dollars of spending in the public and placed it back in the treasury of Alberta. That billion dollars is helping the taxpayer of Alberta today.

I want to tell the Minister of Finance and also the Prime Minister today that there is a message from Canadians, from the tax rallies that I have attended in the last week or so. I want to tell them something about taxes.

If the Prime Minister and the Minister of Finance increase the taxes to Canadians, they are going to bring on themselves and the government of this country what they call the triple–R whammy. They are going to resist. They are going to react. They are going to revolt in terms of any kind of tax increases. If that is not good enough, they are going to reform this country.

Will the Prime Minister stand in his place today and tell Canadians that there will be no tax increases in 1995?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, first of all I know that the member did not mean his words to come forth as they did. He is not encouraging Canadians to revolt. I am sure that is not the case. I would not interpret it in that way. Revolting is not a word that one would use when applied to the Reform Party.

There is some time between now and when the budget will be brought down. The Prime Minister stated it very clearly. We know that Canadians do not want to see themselves burdened with further taxes. That has been made very clear. The Prime Minister stated it.

He also knows that until I bring down the budget, I am not really going to respond to individual questions.

• (1440)

I understand that the Reform Party is desperately trying to get ahead of the movement that is so far ahead of it. It should not take the time in this House to ask hypothetical questions that I cannot respond to until such time as I have brought down the budget.

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[*Translation*]

CANADIAN BROADCASTING CORPORATION

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, my question is for the Prime Minister.

The president of the CBC met with the members of the Liberal caucus, at his request, on Friday to discuss the CBC's budget. According to the chairman of the Quebec caucus himself, Mr. Manera discussed the CBC's coverage of the referendum on sovereignty.

Does the Prime Minister acknowledge that the president of the CBC made a serious error in judgment by discussing the CBC's coverage of the referendum campaign in camera with the members of his party, in total disregard of the CBC's requirement to remain independent and neutral?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the caucus met with the president of the CBC at his request. He requested the meeting. They asked questions as they are entitled to do. You can ask me questions in this House. You can ask the ministers questions. We will pass them on.

We want news coverage to be fair across the country and that the CBC be allowed, within its mandate, to do what it wants. We just want it to be fair for everybody and we want all viewpoints heard and not just one. In fact, we are asking all the broadcasters in Canada to give everyone an equal opportunity.

Up to this point, provincial government money has been spent on distributing pamphlets—not the pamphlets of the Liberal Party—but the pamphlets of the Parti Quebecois and the other parties. The system is unfair. We want the debate to be fair and both campaigns to be given exactly the same coverage.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, I was not the one who described the Liberal Party's mail–out as pamphleteering.

Given that Mr. Manera has put himself in a situation which is to say the least vulnerable and delicate, does the Prime Minister intend to use harsh measures by asking for his resignation, as the Premier of Quebec has asked, in the interest of maintaining the CBC's integrity and autonomy?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I have full confidence in Mr. Manera; he is an experienced civil servant with long service at the CBC who asked, in the interest of defending his organization, to meet with members to explain the role of the CBC. It is quite normal for members to have asked him questions regarding the work of the CBC. I have not spoken to Mr. Manera since he became president and I do not intend to speak to him either, nor will my wife.

* * *

[*English*]

TAXATION

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, the Minister of Finance keeps saying that he will not raise taxes, just close loopholes. Canadians see right through this public relations gimmick.

If a policy hurts like a tax increase, if a policy raises revenue like a tax increase, it is a tax increase. Canadians do not want higher taxes under any guise. Will the minister neutralize the effects of closing tax loopholes by lowering other taxes?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, both of the third party's critics on financial matters are people I respect a great deal. I enjoy discussions with them and I enjoy this in Question Period.

Do they really think it serves the public purpose for them to consistently stand up in advance of the budget and ask the government, under our position which is not to respond on what the budget is, all kinds of questions, knowing that the answers are not going to be satisfactory and cannot be until such time as the budget has been presented?

• (1445)

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, I am responding to a principle enunciated by the minister in the House several times.

Sweden recently cut spending and raised taxes. The higher taxes were seen by investors as a lack of government will to attack the causes of chronic deficits. They punished the Swedish krona in the exchange markets.

I have a supplementary question. What has the minister learned from the experience of Sweden?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, one thing is don't ever be the Swedish finance minister.

We have made it very clear that in the next budget we intend to deal with the deficit primarily by cutting government spending. We have said that. The Prime Minister has said that on countless occasions. I can confirm it to the member opposite. We are going to deal with the deficit. We have demonstrated that clearly, and we are going to do it primarily by cutting government spending.

* * *

[*Translation*]

INTEREST RATES

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, the repeated drops in the value of the Canadian dollar and hikes in interest rates can be attributed to the government's inaction and its refusal, for more than one year, to work on cutting the government machine's overall spending. Financial circles are becoming even more sceptical because of the possibility that the government will try to arrest its deficit by implementing new taxes or a general surtax on income.

Will the Minister of Finance admit that his government's inaction and complete nonchalance have directly caused interest rates to rise, in particular mortgage rates? Will he admit that implementing a general surtax will strangle economic growth and will only drive interest rates even higher?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Once again, Mr. Speaker, the opposition is asking hypothetical questions and is inventing straw men. Why? I do not know.

Allow me to say that at our last meeting, my counterparts from G–7 countries and IMF officials had only praise for the progress that Canada has made over the past year. When we hear the figures that the Prime Minister quoted earlier, when we see the action taken since the last budget, we can conclude that, for the first time in a long while, the government not only intends attaining its goals, but also is credible in this pursuit. The hon. member should be very proud of our achievements since we formed the government a year ago.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, of course we have nothing but praise for the fact that interest rates have increased during the past two months and the fact that the financial community has lost confidence in a Minister of Finance who, for the past year and a half, has done nothing to bring the deficit under control. That is certainly praiseworthy.

How can the minister reject the official opposition's recommendations to cut spending and review the tax system? How can he justify imposing new taxes and asking the middle class to add to its tax burden, while at the same time giving Canada's wealthiest taxpayers tax credits of over $2 billion so they can buy deluxe condominiums in the United States? Now, that is good management. That is something to be proud of.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, first of all, I have yet to receive any constructive proposals from the Bloc Quebecois as to the kind of cuts we should make. The hon. member says he will give us a list tomorrow. I can hardly wait.

Since the hon. member mentioned interest rates, perhaps he could explain why, for the past few months, the interest rate differential between Quebec bonds and other provincial bonds has been increasing every day.

[*English*]

The member should explain why it is that the interest rate differential between Quebec bonds and the other provincial bonds is getting larger and larger. That is the real question that ought to be asked in the country.

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[*Translation*]

PUBLIC SERVICE

Mr. Eugène Bellemare (Carleton—Gloucester, Lib.): Mr. Speaker, my question is directed to the President of the Treasury Board.

[*English*]

It was disappointing to find out that the Public Service Alliance of Canada has refused the government's buyout package for downsizing.

● (1450)

Could the minister reassure public servants that the government remains committed to fair treatment of its employees and will continue to try to reach an agreement with unions and to minimize any job losses as a result of downsizing?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, yes, I can give those assurances to the hon. member.

We certainly want to make sure that our employees are treated in a fair and reasonable fashion, both those who will be leaving as a result of the downsizing and those who will remain to provide excellent services to the public of Canada.

May I also point out that I will be meeting further with union representatives with respect to this matter. I have been doing that for a number of months in an attempt to reach a mutually acceptable agreement. I am quite willing to continue to have a dialogue with them.

We are however running out of time. Soon we must make decisions about this matter with respect to the forthcoming budget.

In terms of minimizing any job losses, we have reviewed the programs and services of the federal government. We are not out to cut employees per se, but as a result of reduction of programs and services there will be downsizing necessary.

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SOCIAL PROGRAMS

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, apparently the human resources development minister has finally come to realize that we have no more money for increased spending on social programs. We are mortgaged and taxed to the max.

Why can the minister not understand that social programs can be reformed without spending more money?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I draw the hon. member's attention to the opening statement we made about a year ago in the House. Right from the very beginning we said that one of the most important reasons for undertaking social reform was to make existing programs work better, to get better value for our money, to make the money go further, and to target it where it would do the most good.

That is exactly the purpose we intend to follow. That purpose is entrain, on schedule. We will continue to put together the kinds of proposals we hope to receive this afternoon from the House of Commons committee that has spent a lot of its valuable time listening to Canadians. Once we have that report we can then get on with the job.

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, just last week the minister was quoted as saying that the government would have to deal with its budgetary problems before it would be able to get on with the reforms.

When will the minister show some leadership and start real reform of Canada's social security programs?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, unlike the hon. member we believe that it is possible, to use an old metaphor, to walk and chew gum at the same time. Unlike the Reform Party that seems to be focused on only one issue, this party is able to take a number of issues and deal with them simultaneously.

We have said very clearly that a precondition, a necessary condition for social reform, is having a stable and effective fiscal system in the country. It is not a sufficient cost. It is a necessary cost.

We have to put the two of them together: good reform in the budget to bring about fiscal stability and then good reform of our programs to get people back to work.

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[*Translation*]

U.S. PRESIDENT'S VISIT

Mr. Philippe Paré (Louis–Hébert, BQ): Mr. Speaker, my question is directed to the Prime Minister.

Obviously put out by the Leader of the Official Opposition's request for a meeting with U.S. president Clinton during his official visit to Ottawa on February 23 and 24, the Prime Minister objected to such a meeting. Yesterday, his Minister of Foreign Affairs set the record straight and stated that the government would not object to a meeting between the American president and the leader of the official opposition.

Could the Prime Minister indicate on what grounds he objected to this meeting on Friday? Could he also explain since when a Canadian Prime Minister dictates whom an American president may or may not meet?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I was asked that question. I thought it was about a letter sent to me but it was a letter to President Clinton.

Some hon. members: Oh, oh.

Mr. Chrétien (Saint–Maurice): No, it was not mine. I did not receive a letter. I made enquiries.

I was sent a copy of a letter, but the request was made to President Clinton, who will answer it himself. I cannot speak for President Clinton.

• (1455)

I would like to point out to the hon. member that I am just back from a trip to six countries, where I never met the leaders of the opposition. I only met the ministers. And I did not object. The point is, this is not a general custom, and when I was leader of the opposition, there were some presidents who came here whom I did not meet, and in fact, in December when President Zedillo came, he did not meet the Leader of the Opposition.

In any case, President Clinton, who received the letter, will respond, and we will see what his answer is. It is not up to me to answer that question.

Mr. Philippe Paré (Louis–Hébert, BQ): Mr. Speaker, now that he no longer objects publicly to a meeting between Mr. Clinton and the Leader of the Official Opposition, will the Prime Minister promise he will not use pressure tactics or indulge in any behind–the–scenes manoeuvring to try to discourage the U.S. president from meeting the Leader of the Official Opposition?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, in the normal course of events, President Clinton's letter should come from Washington, not from Ottawa.

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[*English*]

TAXATION

Mr. David Chatters (Athabasca, Ref.): Mr. Speaker, my question is for the Minister of Finance.

Liberals on the Standing Committee of Finance recommended that the government implement a 2–cent per litre tax increase on gasoline as a way of dealing with the deficit. The Minister of Finance has stated that Canadians are up to their eyeballs in debt, but they are also up to their eyeballs in taxes. The tax on gasoline has risen by 466 per cent in the last 10 years.

Could the Minister of Finance tell the House how increasing the tax burden would not further drown Canadians in a sea of ever increasing taxation?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the member will have to wait for the budget.

Mr. David Chatters (Athabasca, Ref.): Mr. Speaker, my supplementary question is for the same minister.

Consumption taxes account for 52 per cent of the average consumer price for gasoline in Canada, compared to 37 per cent in the United States, our largest competitor and trading partner.

Could the minister explain how siphoning another $500 million out of the pockets of Canadian taxpayers would enhance Canada's competitiveness, its ability to stimulate the economy and its ability to create jobs?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, nothing has changed in the last 30 seconds nor in the last 15 minutes nor in the last hour. The member will have to wait for the budget.

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GOODS AND SERVICES TAX

Ms. Bonnie Brown (Oakville—Milton, Lib.): Mr. Speaker, my question is for the Minister of National Revenue.

We all know that GST credits are supposed to be paid only to low income Canadians. It has been reported that they are also being paid to those with incomes above $100,000.

Is this true? If so, what is the minister doing to stop it?

Hon. David Anderson (Minister of National Revenue, Lib.): Mr. Speaker, I thank the hon. member for her question which allows me to correct and clarify some misunderstandings on this subject.

The GST credit is for low income Canadians. For example, a Canadian family of four with a family income of $38,000 would be above the limit for any GST credit. Eligibility is based on family income and this reflects the situation of these low income Canadians.

I should add, however, that it is net income that creates the entitlement to the GST credit. There may be cases of people with high nominal incomes but low net incomes who can in fact obtain benefit from the system through the GST credit. We are doing our best to tighten up the system.

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[*Translation*]

PUBLIC SERVICE

Mr. René Laurin (Joliette, BQ): Mr. Speaker, my question is to the Prime Minister. In another of his surprising pronouncements, last Friday in Toronto, the Prime Minister said that there are public servants who are paid to sit around and do nothing. He was immediately contradicted by the President of the Treasury Board.

Given that he was contradicted by his own minister, does the Prime Minister maintain that there are federal public servants who are paid to sit around and do nothing? If so, how many are there, and if not, was he referring to those three National

Defence generals who chartered an Airbus to go and play golf in Florida at taxpayer's expenses? After Operation William Tell, are we having an Operation Lazyboy?

• (1500)

The Speaker: This is a long question.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I am informed that there are some. I could find out how many, although the President of the Treasury Board acknowledged not knowing any personally. I do not know any either, but I am told there are some. I got this information from the Privy Council. If I was misinformed, I will apologize, but I was told again, afterwards, that there were some.

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[*English*]

WORKFORCE ADJUSTMENT

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, my question is for the President of the Treasury Board. This weekend negotiations over the workforce adjustment directive failed and public servants, including those who live in Ottawa—Vanier, want to know what the government is doing about it.

Is this government afraid to finalize its position because of the byelection in Ottawa—Vanier? Why will the government not tell public servants now whether it is going to legislate changes to the workforce adjustment directive?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, I do not think the hon. member should be worrying about Ottawa—Vanier at all. I do not think it is in the cards for him to worry about it.

Long before there was to be a byelection we were talking with the unions with respect to the matter of workforce adjustment because of the number of people involved in downsizing as a result of the program review process. We will continue with those discussions. I hope to have further discussion to try to bring some resolution to the matter because the workforce adjustment directive is in the union agreement.

As I said earlier in response to the previous question, we intend to treat our employees fairly and reasonably in dealing with this matter.

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SOCIAL POLICY

Hon. Jean J. Charest (Sherbrooke, PC): Mr. Speaker, my question is for the Prime Minister. His government has now brought Canadians through a major social policy consultation. We will soon have a budget in the House of Commons that promises major cuts to social policy.

The minister of human resources today said that they are targeting for more efficiency. My question to the Prime Minister is quite simple. What are the targets and priorities pursued by his government in the area of social policy?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, if the hon. leader of the Conservative Party would read the red book he would know what our priorities are in terms of social policy.

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TAXATION

Mr. Nelson Riis (Kamloops, N.D.P): Mr. Speaker, would the Minister of Finance simply say that what we read in the press today is not true, that in spite of the fact that we all appreciate there are a whole host of loopholes for the wealthiest in Canada, now we find out that the minister is going to provide one more loophole outside the parameters of the budget? Canadians who sell off assets in excess of $600,000 in the U.S. are going to pay U.S. tax but this minister now is contemplating giving them a tax credit to make up for that.

Will the minister stand in his place and say this will not be a tax loophole that he will be introducing, although it is part of the protocol being negotiated? While he is on his feet, will he tell us what the Prime Minister is going to tell President Clinton to do about that head tax at the U.S. border?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, what the most recent measure does is protect the Canadian tax base on the one hand. It also makes sure that Canadians who own property abroad are not further discriminated against as a result of their Canadian citizenship compared with Americans.

What has happened is a very good measure that protects not only the Canadian tax base but Canadians. I am sure the member would agree that is worthwhile.

In terms of what the Prime Minister should tell President Clinton, it is really an absurd idea that the Americans at the time of NAFTA and the current times of exchange of trade would put on some kind of crossing border tax. It is simply absurd. It is an idea to which this government takes great exception.

I know that I speak for the minister of trade, although I also would say that it is sometimes very difficult to speak for the minister of trade.

• (1505)

PRESENCE IN THE GALLERY

The Speaker: I wish to draw to the attention of hon. members the presence in the gallery of His Excellency Leonid Kravchuk, member of Parliament and former President of Ukraine.

Some hon. members: Hear, hear.

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PRIVILEGE

STANDING COMMITTEE ON HUMAN RESOURCES DEVELOPMENT

Mr. Chris Axworthy (Saskatoon—Clark's Crossing, NDP): Mr. Speaker, I rise on a question of privilege arising out of the leaking to the media of the report of the Standing Committee on Human Resources Development on changes to social programs.

I submit that the privileges of members of this House have been breached by the premature release to the media of this report due to be tabled today. It is a question of privilege because it is a violation of the proper order of proceedings that reports from committees should be presented first in the House of Commons so as to ensure equal opportunity to access by all members of Parliament and all Canadians. Until such presentation in this House, reports should be confidential.

To accentuate the breach that has taken place, as an associate member of the committee I was denied access to the report while it was freely available to the press.

I would ask that you consider what appropriate action might be taken to deal with what is surely a gross contempt of the rules and procedures of this House.

The Speaker: I thank the hon. member for the question of privilege. Of course I will look into it and report to this House if necessary.

* * *

POINTS OF ORDER

BILL C-226

Mr. Rey D. Pagtakhan (Winnipeg North, Lib.): Mr. Speaker, on December 13 a vote was taken on Bill C-226. Although I stood to be recorded as voting for the bill, I was inadvertently omitted from the list. May I have the record corrected?

The Speaker: My hon. colleague, it would be difficult to go back and change a vote that has already occurred. It would set a precedent that would be very difficult for us to manage in the House.

I am sure the hon. member will have his views put on the record. They stand there now. This is not really a point of order but his point has been made.

Mr. John Nunziata (York South—Weston, Lib.): Mr. Speaker, the hon. member was present in the House and he voted on a measure.

Through inadvertence his vote was not recorded. It was not his inadvertence, it was the inadvertence of the Table. It seems to me that the only appropriate way of dealing with this matter perhaps by unanimous consent is to record the hon. member as voting in favour of the bill that was before this House.

The Speaker: I would take the suggestion of the hon. member for York South—Weston. Notwithstanding the fact that it is rather a different approach, if there were unanimous consent by the House I would agree to letting the vote be recorded.

Is there unanimous consent?

Some hon. members: Agreed.

[*Translation*]

Mr. René Laurin (Joliette, BQ): Mr. Speaker, before giving unanimous consent, are we to understand that this would create a precedent and that it will now be possible to ask for a vote to be reviewed after three, four or five days or even a week?

The Speaker: Dear colleague, with unanimous consent in the House, we can change just about anything we want. I hope this will not become an everyday occurrence. That is why I asked for unanimous consent. If there is unanimous consent, the vote can be changed; if not, it will stay the same.

• (1510)

[*English*]

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Perhaps the Speaker would allow the whips from all three parties to confer on this issue and we will come back to the House tomorrow with our recommendation and that would perhaps save the time of the House and solve the problem more rapidly.

The Speaker: If the three whips would get together we will come back to the point tomorrow.

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 215 petitions.

[*Translation*]

COMMITTEES OF THE HOUSE

HUMAN RESOURCES DEVELOPMENT

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso, Lib.): Madam Speaker, I have the honour to present, in both official languages, the seventh report of the Standing Committee on Human Resources Development entitled *Security, Opportunities and Fairness: Canadians Renewing their Social Programs*.

[*English*]

Pursuant to the order of reference of February 8, 1994 your committee has completed its study of the modernization and restructuring of Canada's social security system.

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Madam Speaker, we in the Bloc Quebecois wish to thank the Canadians and Quebecers and all the groups who came to testify before the committee in difficult circumstances. We thank them for their welcome.

I must add, however, that the Minister of Human Resources Development did not publish most technical discussion papers in time, something which we and the groups who appeared before the committee find unfortunate.

I also wish to commend the work done by all committee members and say that the report was produced and the consultations held in difficult conditions. In closing, I want to add that the good will that was in evidence at the beginning made it all the more painful to conclude that it was impossible to come up with a common report.

FOREIGN AFFAIRS AND INTERNATIONAL TRADE

Mr. Bill Graham (Rosedale, Lib.): Madam Speaker, I have the honour to present, in both official languages, the second report of the Standing Committee on Foreign Affairs and International Trade.

[*English*]

This report relates to Bill C–47, an act to amend the Department of External Affairs Act and to make related amendments to other acts. The committee considered this bill and presents this report with amendments which it recommends to this House.

Mrs. Ablonczy: Madam Speaker, I rise on a point of order to comment on the report of the Standing Committee on Human Resources Development.

The Acting Speaker (Mrs. Maheu): I wish to inform the hon. member that members of the official opposition are the only ones who would normally respond to the report. In order for the Reform Party to do so we will need the unanimous consent of the House?

Does the hon. member have unanimous consent?

Some hon. members: No.

• (1515)

[*Translation*]

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I have the honour to present today the fifty–sixth report of the Standing Committee on Procedure and House Affairs relating to the list of committee members.

With leave of the House, I intend to move concurrence in the 56th report later this day.

[*English*]

I move that the 56th report of the Standing Committee on Procedure and House Affairs be concurred in.

(Motion agreed to.)

Mr. Milliken: Madam Speaker, I think you will also find unanimous consent for the motion standing in my name on the Order Paper under motions for concurrence in the 53rd report of the Standing Committee on Procedure and House Affairs, presented on Friday, December 9, 1994.

I move that the motion be passed and that the report be concurred in. I think you will find there is disposition on the part of the House to adopt that motion, of which notice has been given today, without debate or amendment.

(Motion agreed to.)

* * *

PETITIONS

ABORTION

Mr. Jim Abbott (Kootenay East, Ref.): Madam Speaker, I have a couple of petitions. The first petition is on the issue of abortion.

The petitioners pray that Parliament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings. I concur in that petition.

ASSISTED SUICIDE

Mr. Jim Abbott (Kootenay East, Ref.): Madam Speaker, I also concur with a petition where the petitioners pray that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law that would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

MINING

Mr. Jim Abbott (Kootenay East, Ref.): Madam Speaker, I also have a very voluminous petition of 107 pages with 1,207 signatures. The petitioners are drawing to the attention of the House the Canadian Mineral Industry Federation's proposal of a 10–point plan of action to keep mining in Canada. Again, I concur very vigorously with it.

GUN CONTROL

Mr. Jim Abbott (Kootenay East, Ref.): Madam Speaker, additionally, I have received a petition of 11 pages with 144 signatures.

I note it is from a very small area in my constituency where they are very deeply concerned about the restrictive firearm controls that are being proposed by the government. Again, I concur with it.

CAPITAL PUNISHMENT

Mr. Jim Abbott (Kootenay East, Ref.): Madam Speaker, I am also very encouraged to present one last petition which arrived on my desk. It was an absolute surprise to me. It consists of 66 pages with over 1,400 signatures.

The petitioners ask for a national, binding referendum by all Canadians on the issue of capital punishment. That is the position of the Reform Party and it is certainly my position. I concur completely with this petition.

MINING

Hon. Roger Simmons (Burin—St. George's, Lib.): Madam Speaker, it is my pleasure to rise and present a petition. The petitioners, who are from several communities in Newfoundland and Labrador, have signed their names by the hundreds on the issue of Canada's mining industry, noting that it is the mainstay of employment in over 150 communities. It notes that Canada's investment climate is forcing its mineral industry to look for new opportunities elsewhere.

• (1520)

The petitioners call on Parliament to take action that will grow employment in this sector, promote exploration and rebuild Canada's mineral reserves.

I have great pleasure in supporting this petition.

VIOLENT OFFENDERS

Mrs. Jan Brown (Calgary Southeast, Ref.): Madam Speaker, I rise today, as I will every day until April 11, 1995 to present petitions. This date is set for the scheduled parole hearing of Robert Paul Thompson seeking his early release.

The petitioners I represent are concerned about making our streets safer for our citizens. They are opposed to the current practice of early release of violent offenders prior to serving the full extent of their sentences.

The petitioners pray that our streets will be made safer for law–abiding citizens and their families of the victims of convicted murderers.

VIOLENCE AGAINST WOMEN

Mr. Nelson Riis (Kamloops, NDP): Madam Speaker, it is an honour for me to present a petition made possible through the efforts of Bill C–55 and especially Mr. Doug Collins, Mr. Nick Carter and Daniel Earl and signed by residents of the great city of Kamloops.

Motivated by the Melanie Carpenter tragedy the petitioners call for changes to Canada's justice system, including assurance that those who are violent and sexual offenders are jailed for sufficient terms and if necessary for life to ensure that safety and security return to our streets and to our neighbourhoods.

This is the first of many petitions to come. To this date well over 3,000 signatures have already been gathered in just the last few days urging for changes to our criminal justice system.

HUMAN RIGHTS

Mrs. Sue Barnes (London West, Lib.): Madam Speaker, I rise today to present three different petitions from people in my riding and elsewhere dealing with discrimination and sexual orientation.

The petitioners urge among other things to bring forward the Canadian Human Rights Act amendments that would prohibit discrimination based on sexual orientation.

On that issue I am very much in agreement and I think it is time that we have this enacted in our legislation.

INCOME TAX

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Madam Speaker, I have two petitions to present today to the House of Commons.

In the first one, 558 constituents from Okanagan—Similkameen—Merritt have signed the following: "We the undersigned residents of Okanagan—Similkameen—Merritt draw the attention of this House to the following: that the finance minister has indicated that he might change the rules regarding RRSPs and pensions and tax the holdings or income of these plans. Therefore we request that Parliament oppose any attempt to alter our ability to provide for secure retirement by way of taxation of assets or income of RRSPs and pension plans".

The message is clear, Madam Speaker. Do not touch our RRSPs or our pension plans.

GUN CONTROL

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Madam Speaker, the second petition is signed by 86 petitioners from Okanagan—Similkameen—Merritt. I point out that to date

1,271 people in my riding have signed this petition which asks the House of Commons assembled to oppose further legislation for firearms acquisition and possession and to provide for strict guidelines and mandatory sentencing for use or possession of a firearm in the commission of a violent crime.

I concur with both of these petitions.

HUMAN RIGHTS

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Madam Speaker, pursuant to Standing Order 36 I would like to present three petitions on behalf of constituents of Shawville, Quebec dealing with social issues.

In the first two, petitioners pray that Parliament not amend the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way that would tend to indicate societal approval of same sex relationships or of homosexuality including amending the Canadian Human Rights Act to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

ABORTION

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Madam Speaker, in the third and final petition the petitioners pray that Parliament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

HUMAN RIGHTS

Mr. Jim Silye (Calgary Centre, Ref.): Madam Speaker, as part of my parliamentary duties I rise today to present four petitions to the House.

The first is on behalf of Mr. Michael Dobbin and T.S. Symington who along with 82 other Calgarians call on Parliament to amend the Canadian Human Rights Act to protect individuals from discrimination based on sexual orientation.

The second petition is on behalf of Mr. Robert McNutt who along with 36 other Canadians calls on Parliament to prohibit discrimination the basis of sexual orientation and to adopt all necessary measures to recognize the full equality of same sex relationships in federal law.

THE FAMILY

Mr. Jim Silye (Calgary Centre, Ref.): The third petition, Madam Speaker, represents the opposing view on sexual orientation as 55 Albertans call on Parliament to oppose any legislation that would directly or indirectly redefine the family.

• (1525)

The fourth and final petition also relates to the subject of families, as 34 Calgary and area residents call on the government to amend the Income Tax Act to provide a child care expense deduction to all families and not just those using outside receipted child care.

I will continue to present all petitions that are sent to me by constituents of Calgary Centre regardless of my personal or political views on the subject.

YOUNG OFFENDERS

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Madam Speaker, pursuant to Standing Order 36 I am pleased to present a petition with 16,300 signatures.

This petition was collected by a constituent, Mr. Bernard Castet, whose son was murdered by two young offenders. The petition asks for amendments to the Young Offenders Act stating anyone committing a crime of violence will be tried in adult court if he or she is 14 years of age or older.

GUN CONTROL

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Madam Speaker, the second petition is much smaller. It calls on Parliament to not enact any further firearms legislation.

HUMAN RIGHTS

Mr. Jesse Flis (Parkdale—High Park, Lib.): Madam Speaker, I have three petitions to table today. The first two pertain to the prohibition of discrimination on the basis of sexual orientation.

The petitioners call on Parliament to put an end to discriminatory treatment in Canada of gay and lesbian citizens and their familial relationships by amending federal legislation that currently allows unequal treatment, including an amendment to the Canadian Human Rights Act to prohibit discrimination based on sexual orientation.

I have explained to the petitioners my disagreement with sections of their petition, but I feel it is their right to have me table it in the House on their behalf.

ABORTION

Mr. Jesse Flis (Parkdale—High Park, Lib.): Madam Speaker, the third petition is a little more complicated. I will not go through the whole petition itself.

The petitioners claim it is clear that in the languages of Parliament and Canada there is evidence that the unborn human foetus from fertilization onward has recognition as an individual and also is included in "everyone"; whereas the Canadian Charter of Rights and Freedoms applies to the Parliament and Government of Canada and article VII guarantees to everyone the right to life and security of the person and article XV(1) states that every individual is equal before and under the law and has the right to equal protection and equal benefit of the law.

The petitioners call on Parliament to urge the government to recognize the unborn foetus from fertilization onward as an entity separate from the mother and to prepare a response to this petition which identifies the formal parliamentary process which selected the response of Petition No. 3510130, which I tabled last year, as the sole basis for the government's position

and provide dismissive argument for each issue raised in this petition.

GUN CONTROL

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Madam Speaker, I am pleased to rise to present three petitions signed by almost 300 people from several communities in my Cariboo—Chilcotin constituency.

My constituents are convinced that existing gun controls are sufficient. Therefore they call on Parliament to support laws that will severely punish all violent criminals who use weapons in the commission of a crime, support new Criminal Code firearms control provisions which recognize and protect the right of law-abiding citizens to own and use recreational firearms, and support legislation that will repeal or modify existing gun control laws that have not improved public safety or have proven not to be cost effective or proven to be overly complex so as to be ineffective or inefficient.

These petitions are presented with my concurrence.

ASSISTED SUICIDE

Mr. John Maloney (Erie, Lib.): Madam Speaker, pursuant to Standing Order 36 I have two petitions, representing the views of over 163 Erie constituents which I wish to present to the House today.

The first petition calls on the government to enforce the existing provisions in the Criminal Code prohibiting assisted suicide. It also asks that no further changes be made in the law that would sanction the aiding or abetting of suicide or active or passive euthanasia.

● (1530)

HUMAN RIGHTS

Mr. John Maloney (Erie, Lib.): Madam Speaker, the second petition is on the issue of same sex benefits.

The petitioners request the government not to consider any amendments to the human rights act or the Canadian Charter of Rights and Freedoms to include in the prohibited grounds of discrimination the phrase "sexual orientation".

ASSISTED SUICIDE

Mr. Svend J. Robinson (Burnaby—Kingsway, N.D.P): Madam Speaker, I have the honour to present a petition signed by hundreds of residents of my constituency of Burnaby—Kingsway.

They point out that the current provisions of the Criminal Code deny people who are suffering from terminal or irreversible and debilitating illness the right to choose freely and voluntarily to end their lives with the assistance of a physician. Therefore they call upon Parliament to amend the Criminal Code to ensure the right of all Canadians to die with dignity by allowing people with terminal or irreversible and debilitating illness the right to the assistance of a physician in ending their lives at a time of their choice, subject to strict safeguards to prevent abuse and to ensure that the decision is free, informed, competent and voluntary.

CAPITAL PUNISHMENT

Mr. Art Hanger (Calgary Northeast, Ref.): Madam Speaker, I have three petitions to table.

In the first the petitioners request that Parliament recognize that those who commit murder should never be released from prison. To that end, we ask that capital punishment be reinstated for those offenders.

The petition bears over 2,200 names.

YOUNG OFFENDERS ACT

Mr. Art Hanger (Calgary Northeast, Ref.): Madam Speaker, in the second petition the petitioners, residents of communities in Alberta, in memory of Ryan and in support of Stu and Marg Garrioch and their family request that Parliament recognize that crimes of violence are serious and out of control, putting our society at risk.

They ask that the House amend the Young Offenders Act to give society the protection it deserves. There are over 2,500 signatures.

CRIMES OF VIOLENCE

Mr. Art Hanger (Calgary Northeast, Ref.): Madam Speaker, the third petition bears 1,655 signatures and requests that Parliament recognize that crimes of violence are serious and out of control, putting all of society at risk and that life should be life with no parole for violent offenders convicted of first degree murder and a minimum of 25 years without parole for those convicted of second degree murder.

I concur with the contents of each petition.

ASSISTED SUICIDE

Mr. Harold Culbert (Carleton—Charlotte, Lib.): Madam Speaker, I have two petitions that have been duly certified by the clerk of petitions.

The first petition is to the House of Commons assembled and requests Parliament to ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that in addition, Parliament make no changes in the law that would sanction or allow the aiding or abetting of suicide or any activity designed to terminate human life.

HUMAN RIGHTS

Mr. Harold Culbert (Carleton—Charlotte, Lib.): Madam Speaker, in the second petition the petitioners are asking Parliament to ensure not to amend the human rights code, the human rights act or the charter of rights and freedoms in any way that would indicate societal approval of same sex relationships or homosexuality.

ASSISTED SUICIDE

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Madam Speaker, pursuant to Standing Order 36 I am proud to present four petitions dealing with the issue of euthanasia,

assisted suicide from the people of the three towns of Prince George, Vanderhoof and Burns Lake in the great riding of Prince George—Bulkley Valley.

The petitioners humbly pray that Parliament not repeal or amend section 241 of the Criminal Code in any way and not allow the Supreme Court of Canada's decision of September 30 to disallow assisted suicide, euthanasia.

I am pleased to say that I concur in every respect with these four petitions.

HUMAN RIGHTS

Mr. Chuck Strahl (Fraser Valley East, Ref.): Madam Speaker, I have several petitions to present today.

In the first one the petitioners request that Parliament not change any legislation that would indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code. They will be pleased that the minister has agreed to delay the introduction of that legislation.

ASSISTED SUICIDE

Mr. Chuck Strahl (Fraser Valley East, Ref.): Madam Speaker, the second petition requests that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law that would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

RIGHTS OF THE UNBORN

Mr. Chuck Strahl (Fraser Valley East, Ref.): Madam Speaker, in the third petition the petitioners pray that Parliament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

• (1535)

CANADIAN WHEAT BOARD

Mr. Vic Althouse (Mackenzie, NDP): Madam Speaker, I have a petition from residents of my constituency who point out that a very vocal minority of citizens are requesting Parliament to institute a dual marketing system for wheat and barley for export.

The petitioners humbly request that Parliament continue the wheat board monopoly powers for marketing wheat and barley and that it extend them to include all grains and oilseeds.

Routine Proceedings

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, the following questions will be answered today: Nos. 76, 88 and 108.

[*Text*]

Question No. 76—**Mr. Peric:**

Regarding the decision to proceed with construction of the Kitchener prison for women, (*a*) how much money has been spent to date on the prison project, (*b*) how were those funds allocated, (*c*) was consideration given to relocating the prison to the Maple Grove road site? If yes, why was the site found to be unsuitable, (*d*) has any consideration been given to the recent offer by the warden of the Oxford Regional Centre in which a portion of that prison was offered to Correctional Service Canada, as an alternative to building the prison for women in Kitchener? If not, why not and (*e*) what would the anticipated cost of relocating the prison to an alternate site be and what types of expenditures would be included in that cost?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): In so far as Correctional Service Canada is concerned, the answer is as follows:

(a) Money spent to date: Approximately $3.11 million has been spent to date.

(b) Allocation of funds: $1.61 million for acquisition of site, including legal fees; $1.5 million for two environmental studies, architectural design drawings, salary and operating cost for the Kitchener federally sentenced women office to house the warden, the deputy warden and support staff.

(c) In November 1993 the Maple Grove site was given consideration as a possible site for the prison. However, the location was found to be unsuitable for the following reasons:

(1) There are only two possible locations at the Maple Grove site which are sufficiently level to permit construction of the new women's prison. Neither is large enough to build on.

(2) Making the site larger to accommodate the needs of a women's prison would entail removing an esker. This would require provincial environmental approval and such a process would be both costly and time consuming. Meeting the anticipated environmental concerns would significantly increase the cost of the prison. Also, an agreement would have to be negotiated with the province of Ontario concerning the role of Correctional Service Canada in sharing the costs arising from this process.

(3) There would be significant additional costs of bringing storm and sanitary sewers to the Maple Grove site.

(4) The minimum travel time required for services such as ambulance, police and fire to reach the location in the event of an emergency is exceeded because it is not close enough to these services.

(5) The Maple Grove site is not within a maximum 15–minute walk to available public transit services.

(6) Alternative sites would only have been considered if the Solicitor General had decided to reopen the site selection process. This is not the case.

On June 6, 1994, the Solicitor General issued a news release announcing the decision to proceed with the site already purchased on Homer Watson Boulevard and describing the reasons not to reopen the site selection process. This decision was based on an extensive review of all aspects of the Kitchener project and confirmed that the site on Homer Watson Boulevard was the best of the 21 sites originally proposed by the city of Kitchener. The review did not include consideration of sites not on the original list.

(d) The Oxford Regional Centre does not have design features that are consistent with the principles established by the task force on federally sentenced women, such as a home–like atmosphere with small cottage units to promote independent living in small groups, building structures that have natural light and good air ventilation, a size that would allow an interactive atmosphere, and non–intrusive security measures, in order to reflect the low risk to the community presented by most inmates. For these reasons further consideration was not given to the Oxford Regional Centre.

(e) The cost of relocating the facility to another site is estimated at $5.2 million, which consists of an estimated $2.8 million to acquire a new serviced property, conduct environmental studies and modify the architectural drawings to the new site. The remaining $2.4 million represents the cost of operating the prison for women in Kingston, Ontario, for an additional year. As for federally sentenced women, the construction of the other facilities is planned to be completed in late fall 1995.

Question No. 88—**Mrs. Brown (Calgary Southeast):**

For 1992 and 1993 what were the car leases for the CBC, who had a lease, what were the make, model, year and detailed costs of each lease?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): For the years 1992 and 1993 the CBC's total number of car leases, which includes leases starting or ending within the two–year period, was 78 and 64 respectively.

All those leases were for general use vehicles for the purpose of corporate business, except for the following which were assigned to specific individuals and were leased under the name of the CBC: (1) 1989 Buick Lesabre at $560 per month; lease expired April 23, 1992; (2) 1988 Buick Lesabre at $450 per month; lease expired June 30, 1992; and (3) 1993 Buick Lesabre at $529 per month; lease expires May 4, 1996.

Question No. 108—**Mr. Forseth:**

How much money was spent in 1992–93 for ad hoc private lawyers to do local federal prosecutions in place of local provincial crown counsel?

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): The Department of Justice does not hire private lawyers either on a standing or ad hoc basis to replace local provincial crown counsel. Agents of the Attorney General provide legal services that would otherwise be provided by Department of Justice lawyers but cannot be provided because of geographic location or workload pressures.

In those circumstances where it has been necessary to hire standing or ad hoc crown agents to conduct federal prosecutions, the prosecutions have been pursuant to such legislation as the Narcotic Control Act, the Food and Drug Act, the Income Tax Act, the Competition Act and the Fisheries Act. In 1992–93, the federal government paid crown agents $21.3 million for criminal prosecution work. As well, other work performed by crown agents on behalf of the federal government totalled $18.7 million. This means that the total cost of crown agent work for 1992–93 was $40 million.

As a result of these very significant costs, the Department of Justice began to look at alternate approaches in its provision of criminal prosecution services. One approach involves pilot projects that, where economically feasible, would replace crown agents currently performing prosecution responsibilities with respect to the Narcotic Control Act and the Food and Drug Act with in–house Department of Justice counsel. The first such project is currently under way in Toronto with two other sites under consideration. It is expected that these pilot projects will realize savings ranging from 15 to 20 per cent and serve as part of the department's commitment to the cost effective provision of government services to the public.

[*English*]

* * *

STARRED QUESTIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, would you be so kind as to call Starred Questions Nos. 99, 103, and 114.

[*Text*]

*Question No. 99—**Mr. Godin:**

What results were produced by the $3,404,136 invested in the Kahnawake Reserve from 1989 to 1993 under the national native alcohol and drug abuse program?

Hon. Diane Marleau (Minister of Health, Lib.): The amount injected into the national native drug and alcohol abuse program (NNDAADAP) for the Kahnawake community between 1989 and 1993 is $3,095,853.27. This breaks down as follows: 1989–90 $489,800.60; 1990–91 $560,601.60; 1991–92 $662,860.50; 1992–93 $681,331.07; and 1993–94 $701,259.50.

These amounts were provided to the Kahnawake community through contribution agreements, but they were not necessarily used exclusively for the Kahnawake aboriginal population. Shakotiia'takehnhas Community Services is the organization mandated by the Kahnawake Band Council to co–ordinate the following programs: (1) social services (2) NNAADAP program (3) community health representatives program and (4) NNAADAP resource centre program

It acts as an administrator for regional NNAADAP activities for the entire aboriginal population of Quebec, submitting financial reports to Health Canada.

The key NNAADAP activities at Kahnawake are as follows:

Prevention: Various strategies (control, influence, education) have been used to prevent or minimize the use of the substances involved. The team in place has been involved with consciousness raising and education activities, as well as those offering alternatives to substance abuse. All these address the population of Kahnawake in general; some have specific target groups.

Activity reports are submitted to us regularly to justify the funding.

NNAADAP Resource Centre (Film Library): The resource centre is administered by Shakotiia'takehnhas Community Services. Its purpose is the acquisition and distribution to aboriginal communities and other organizations affiliated with NNAADAP of films, videos and other material free of charge. Principal activities are: material loans and handling, searches for pertinent and user adapted material, and support to workers in preparing promotional and educational activities in both official languages. The centre is not exclusively for the population of Kahnawake but rather for all aboriginal communities throughout Quebec.

Rehabilitation: An aboriginal centre has been set up to provide rehabilitation services to Quebec's Mohawk population: the Onen:To'Kon Centre. While mainly serving the Kahnawake and Kanesatake Mohawk, it also provides services to other English speaking nations in Quebec, as therapy cycles are available.

Administration of the various NNAADAP activities: Shakotiia'takehnhas Community Services acts as the administrator, co–ordination and reimbursement of costs, for certain regional activities, at the request of Health Canada. Note: these activities are for the entire aboriginal population of Quebec.

Results: The results of these activities have been a new attitude toward drugs and alcohol within the aboriginal population. Alcohol–free social activities are now more popular. There has also been a markedly increased interest in National Drug Awareness Week; the last time, related activities went on for a month. It is also worthy of note that the Onen:To'Kon Treatment Centre has treated more than 1,312 persons for alcohol and drug abuse on an in–patient or out–patient basis.

*Question No. 103—**Mr. Caron:**

As of November 1, 1994, how much money has the federal government invested and how much will it invest under the Economic and Regional Development Agreement (ERDA) and, more specifically in relation to the project to upgrade the highway linking the municipalities of Alma and La Baie, Quebec (highway project 70/170)?

Hon. Douglas Young (Minister of Transport, Lib.): The 70/170 highway project is part of the Canada–Quebec subsidiary agreement on transportation development signed in 1985 within the framework of the Economic and Regional Development Agreement (ERDA).

The transportation agreement, administered by Transport Canada on the federal side, expired on October 31, 1993, but commitments for registered projects were met with current funds under the agreement for an additional 12 months up to October 31, 1994.

The project concerned was registered when the agreement was signed. A $25 million portion was to have been financed in equal parts under the agreement between the Canadian and the Quebec governments, $12.5 million each.

The total amount allocated under the agreement from the early stages up to October 31, 1994 was $21,529,600, of which $10,764,800 came from the federal government. Since no additional funding could be allocated after October 31, this sum was for all intents and purposes the federal government's total maximum contribution to this project.

Each government's $1,735,000 shortfall relative to the $12.5 million initially promised was primarily attributable to delays during the course of the project.

The 70/170 project was not able to follow the originally planned schedule. Although the first section between La Baie and Jonquière was completed on schedule, construction was slowed down significantly in 1991 and 1992 because of environmental studies, cancellation of the Jonquière bypass road and budget restrictions in the Quebec department of transport. Later, construction resumed on the Jonquière–Alma section, a four–lane divided highway. The first 3.8–kilometre segment beginning three kilometres north of Jonquière is currently nearing completion. Expropriation for the remainder of the segment leading to the outskirts of Alma has also been completed.

It should be noted that funds which could not be committed to the highway 70/170 project were reallocated to another highway project under the agreement in order to ensure that these funds were spent. The Quebec government is expected to carry this project to completion subject to availability of funds.

*Question No. 114—**Mr. Hanger:**

What was the printing cost of the photo bookmarks that were included in the 1995 immigration plan document package?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): The minister's compliments card, which was included in the 1995 immigration plan document package, was intended to be generic in nature and useful for distribution with various Citizenship and Immigration Canada documents. Accordingly, 30,000 were ordered for a total cost of $2,083.48 or less than 7 cents each.

[*English*]

Mr. Milliken: Madam Speaker, due to the number and length of responses, I ask that they be printed in *Hansard* as if read.

The Acting Speaker (Mrs. Maheu): Is it agreed?

Some hon. members: Agreed.

[*Translation*]

Mr. Jean–Paul Marchand (Québec–Est, BQ): I have a point of order, Madam Speaker, concerning Question No. 93, which was tabled on October 19, 1994, that is to say 110 days ago. Normally, such questions are to be answered within 45 days. I would like an explanation as to the reasons for this delay, a delay that we consider unreasonable.

Mr. Milliken: Madam Speaker, perhaps I could finish what I was saying before dealing with the point of order raised by the hon. member.

[*English*]

I indicated that these questions would be answered as if read. That was agreed and those are now acceptable.

* * *

QUESTION PASSED AS ORDER FOR RETURN

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I would ask that Question No. 94 be made an Order for Return. If it is, then the return would be tabled immediately. Then I will deal with the request.

The Acting Speaker (Mrs. Maheu): Is it the pleasure of the House that Question No. 94 be deemed to have been made an Order for Return?

Some hon. members: Agreed.

[*Text*]

Question No. 94—**Mr. Atlhouse:**

Regarding the Net Income Stabilization Account (NISA) payments, (*a*) how many individuals participated in NISA over each of the last 4 years, (*b*) what has been the cost of purchasing and installing computing and processing equipment since the program began in 1991 to the present and are there any plans for future major improvements, (*c*) what is the waiting time from date of receipt of application until date cheque is issued, (*d*) in 1993 and 1994, how many applications fell into the category requiring 1 month for processing, 2 months, etc. up to 10 months or more and what are the chief reasons for the delays?

(Return tabled.)

[*Translation*]

Mr. Milliken: Madam Speaker, Question No. 93 standing in the name of the hon. member for Québec–Est relates to contracts for services, supplies and leasing awarded by the Department of Public Works and Government Services since October 25, 1993, in all federal constituencies in Quebec, and to the list of government properties located in these same constituencies.

As you can imagine, the list is long. The government has been working on a response ever since the question was received. I understand that it is almost ready and I will table it in this House as soon as possible. I hope that the hon. member can wait that long because there are many items to put down on that list.

The government owns many properties, as he knows, and he also knows that the department in question has a great many contracts in the province of Quebec and that, with 75 constituencies, the list will be very long. I hope that he can wait for all the information to be compiled in response to his question. I will be tabling that response in this House shortly.

[*English*]

The Acting Speaker (Mrs. Maheu): The questions as enumerated by the parliamentary secretary have been answered.

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

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

Some hon. members: Agreed.

GOVERNMENT ORDERS

• (1540)

[*Translation*]

IMMIGRATION ACT

The House resumed consideration of the motion, that Bill C–44, an act to amend the Immigration Act and the Citizenship Act and to make a consequential amendment to the Customs Act, be read the third time and passed.

Mrs. Christiane Gagnon (Quebec, BQ): Madam Speaker, I rise today to participate in the debate, at third reading, on Bill C–44, which amends the Immigration Act, the Citizenship Act and the Customs Act.

Before getting to the crux of the matter, I want to make a few comments to help us during this debate or at least to make us think of the importance of the decisions which we will be making when we vote on this bill.

In Part I of the Immigration Act outlining the Canadian immigration policy, sections *(i)* and *(j)* mention the need to "maintain and protect the health, safety and good order of Canadian society", and also "promote international order and justice by denying the use of Canadian territory to persons who are likely to engage in criminal activity".

We agree with these principles and objectives because they reflect the large consensus on which are based our legal and justice systems. But there are also concerns which are directly related to Bill C–44 and which are equally important to understand the issue being debated.

During the recent consultations held by the minister regarding immigration, someone said that "intolerance was the fastest growing industry in Canada". Hysteria, racism and fear result from intolerance and generally lead people to confuse reality with perception. Reality is what exists in fact, while perception is the representation of something based on an impression.

This is why, for some time now, Canadians have been under the impression that criminal immigrants abound in our country. Given such an impression, it is easy to jump to the conclusion that immigrants are responsible for most crimes.

We must firmly oppose the spreading of adulterated and erroneous information on immigration, since it adversely affects the relation of confidence which should exist between a host country and its immigrants.

Last year, a study conducted by the Department of Citizenship and Immigration revealed that there is no link between ethnic origin and the propensity to commit crimes. Contrary to what some people would have us believe, persons born abroad and now living in Canada are under–represented in the prison population, as Derrick Thomas, senior researcher in the department has confirmed. While new arrivals represent 20.2 per cent of Canada's population, they represent only 11.9 per cent of the population in prison or on parole. Moreover, contrary to certain popular beliefs, visible minorities are not inordinately represented in statistics on crime.

In view of the many questions people have and the concerns they express, it is worth pointing out that the crime rate dropped by 5 per cent in 1993. According to the Canadian Centre for Justice Statistics, the crime rate reported by police departments dropped for the second consecutive year in 1993. The 5 per cent decrease is the biggest in a single year since the practice of gathering statistics on crime began in 1962.

This confirms the statement I made earlier about reality and perceptions. While the public feels that crime has increased generally, this is not actually the case. The same thing may be said for the relationship people try to establish between immigration and criminality.

It is certainly not my intention to downplay the seriousness of criminal activities. They exist, and we are aware of them. I know people experience real fear about their safety. Surveys have shown this. Nevertheless, we have to look at the facts.

We should also look for and decry the source of public misconceptions. This House must not reflect the sensationalism of supermarket tabloids or the media, which give too much attention to individual cases making them appear to be the norm in Canada.

• (1545)

It is unbelievable that, having first singled out young people as being the source of all evil, we are now pointing to immigrants as being the scourge of humanity. Should we not regard socio–economic conditions as the fundamental basis of crime and not immigration? And are not the difficulties in the areas of finances, adjustment, training and employment experienced by immigrant families, and young people in particular, the true causes of crime rather than immigration itself? Do you agree?

An hon. member: Yes, it is true.

Mrs. Gagnon: Beyond the fears weighing on our minds, we have the following reservations about specific provisions of Bill C–44. The most important of these is the clearly expressed desire to eliminate the right to appeal allowed immigrants and refugees accused of crimes punishable by a prison term of ten years or more. This seems to run counter to the fundamental principles which should exist in a just society. The Charter of Rights and Freedoms should apply for us all as regards a fair and impartial procedure.

Another element of the bill which concerns us is that of sentencing. The bill considers only the nominal act, that is, the maximum penalty for the type of crime committed, without regard for the sentence actually imposed. We all know that, even though a crime is punishable by a 10–year prison term, in practice, judges use principles of sentencing to set terms. For example, someone who breaks into a private residence can be given a life sentence. According to the bill, the accomplice of someone who issues fraudulent credit cards could be deported to his or her country of origin.

In general, defendants are given much lighter sentences than the maximum. In certain cases, the sentence does not even include a prison term or a fine, the defendant is only given a suspended sentence or is put on probation. Persons given only very light sentences could see themselves, under the bill before

us, forced to leave the country. This provision of the bill could constitute, in our opinion, a violation of the Geneva Convention. The manual of the United Nations High Commission for Refugees states that, depending on the nature of the crime presumed to have been committed, all of the pertinent factors, including extenuating circumstances, must be taken into consideration. In our opinion, bill C–44 should take these considerations into account.

Another aspect that is ignored in the bill is the distinction between political crimes and common law crimes. It seems imprudent to deport persons convicted for political reasons to their country of origin without taking into account the risks they will face there. This kind of regulation is clearly lacking in flexibility and humanity. Would it not be better to take a closer look at the anticipated risks as compared to the seriousness of the crimes committed?

Other important issues are of concern to me, and I ask myself what will happen to permanent residents who have been living in Canada for several years. In some cases, they arrived in this country when they were quite small. Today, they are adults, they work here, are part of the same family and have only vague memories of their country of origin. They have no more relatives and often no more friends over there. Since these people are now Quebecers and Canadians, is returning them to their country of origin the answer?

Other aspects of the bill also deserve closer scrutiny. The bill proposes to authorize immigration officers to seize and open any parcel or document if they suspect it may be used for fraudulent purposes. Is this not a violation of the Charter of Rights and Freedoms? One of the principles of our judiciary system is the presumption of innocence, but these provisions on seizing mail reverse the burden of proof. On what grounds will seizures be made and how can the criminal nature of the contents be identified? That is something to think about.

• (1550)

The bill also provides that certain decisions that were formerly made by the Immigration and Refugee Board will, from now on, be made by the Department of Citizenship and Immigration and its officials. The minister and his officials are being given new powers to appeal decisions made by an adjudicator in the course of an inquiry, but on the other hand, the commission is being deprived of its power to review cases on humanitarian grounds. Does this mean the administrative process is being politicized? Is this an attack on the independence of the IRB? Would it not be better to improve the way the IRB operates?

I would also like to mention the findings of a study by the Department of Citizenship and Immigration which were released last summer. According to the study, 1,888 foreign criminals who were to be deported were still at large. Is there a way to find these people and try and prevent others from doing the same thing in the future, without necessarily making it harder to enter the country and running the risk of creating situations that are just as embarrassing as the one I just described? Is the problem of foreign criminals at large specific? In other words, are there more foreigners at large than Canadians or Quebecers that were born here? How many Canadians and Quebecers are now wanted by the police? Do they represent a percentage of Canadians that is significantly smaller than the percentage of immigrants in the same situation? We think the government should provide all the facts on the subject in order to better inform the public and set the record straight on the number of foreign criminals at large. In that way we would stop the witch hunt for immigrants and refugee claimants.

I would like to say again that the Bloc Quebecois is aware of the problems associated with foreign criminals presently in Canada. We also know that crime causes turmoil and terror in our communities. We will support the government in its attempts to arrive at an enduring and fair solution to this problem. We agree wholeheartedly that immigrants and refugee claimants cannot use the legislation or reputation of Canada or Quebec to escape their country of origin if they have committed serious offences.

We will not be distracted by unfounded observations which, as we have emphasized, do not reflect reality. The Canadian government seems at this time to be toughening its stance in order to appeal to certain voters. Consider for instance the Young Offenders Act passed during the last session or the increasing hesitation of Liberal caucus members in respect of gun control, or even motion M–157, tabled by the Liberal member for Scarborough—Rouge River, which aims to restrict immigration during periods of recession.

And while we are on the subject, I would also like to point out that Bill C–44, like many other government initiatives, does not reflect the situation in Quebec. In fact, public opinion in Quebec differs greatly from that in the rest of Canada in regards to the link between crime and immigration. As the *Globe and Mail* reminded us last week, Quebecers did not let the few bad cases recently experienced in Canada—which we deplore—influence their attitude and behaviour. This may be another aspect of Quebec's distinctiveness.

Immigrants make a fundamental and undeniable contribution to Quebec and Canadian society's collective wealth. A law designed to prevent criminals from enjoying the right of admission to and asylum in Canada should not be misused. The goals set are not always consistent with the measures put forward to achieve them.

That, unfortunately, seems to be the problem with Bill C–44 as it now stands.

• (1555)

Unfortunately, the government caved in to public pressure from certain groups and ignored our recommendations.

The minister unjustifiably rejected our recommendations. Let us take only one example, as time is running out. Let us consider the minimum two–year limit that we propose as a guideline. The minister replied that this proposal was not credible because the duration of the sentence handed down varies according to geographical and other arbitrary factors. He would rather keep the theoretical ten–year limit, when the courts use well–established rules to determine sentencing. These rules take into account the mitigating circumstances surrounding the crime. The minister thinks he is better able to determine an individual's fate than the courts. Instead of relying on the court, he prefers to decide himself whether or not he should use his power for humanitarian reasons. That coming from the same person who said barely a year ago that there should be less political involvement in the immigration system. It is easy to see that he is already under some pressure. What will happen when he and his colleagues are continuously subjected to strong public pressure?

For all the reasons I mentioned in my speech, the opposition cannot support this bill.

Mr. Osvaldo Nunez (Bourassa, BQ): Madam Speaker, I want to congratulate my hon. colleague on her excellent speech. Several of the problems that Bill C–44 touches on could be dealt with administratively. In this regard, I would like to draw the attention of the House to the malfunction of the Department of Citizenship and Immigration through a number of examples.

It is becoming increasingly difficult to obtain information from immigration officials for a number of reasons: there has been enormous personnel cuts in the department and there are more to come. This has caused a lot of motivation problems within the department.

In the Montreal area, for any information, you have to dial 496–1010. Everyone knows this number: the lawyers, anyone who works with immigrants and refugees. The mere mention of this telephone number can provoke an allergic reaction, because there are six stages involved and it takes several minutes to get a final answer. If you ask to speak to an official, you are told: "Sorry, the line is busy."

That is no good for us members of Parliament, as a large part of our work consists in resolving immigration problems. Last year, the department put out guidelines saying: "If you want information, send us a fax." But it received so many faxes that we never got an answer. Now, they are telling us: "Phone instead." But it is even worse than last year. It is incredibly difficult for government services users because they never get to talk to a department official. In some instances, they come from abroad and do not know the language spoken here, let alone how our telephone system works, a completely dehumanized system. You have a machine answering calls, instead of people. It is becoming increasingly difficult for us, members of Parliament, to fulfill our role as representatives of the public, particularly as regards immigration. When we write to the minister, it takes two to three months to receive an acknowledgement, and another month or two to get a substantive answer. Yet, these are not minor issues: sometimes, what is at stake is the life of refugees who want to bring to Canada family members who are abroad.

• (1600)

The minister should take action to solve these administrative problems within the Department of Immigration, because these problems will become more serious once Bill C–44 is passed. The decision–making process regarding immigration issues is becoming increasingly politicized. The minister and his senior officials will make the decisions.

We, members of Parliament, will constantly have to contact the minister. We will not get answers within reasonable delays and this will generate a lot of frustration for the users of that service. I ask the minister to take the necessary steps to correct the problem as quickly as possible.

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General, Lib.): Madam Speaker, I would like to make a comment.

I listened with great interest to the excellent presentation made by the hon. member for Québec. I liked the way she described the public's perception of the crime rate in Canada.

I agree that for some time people have been saying, especially certain opposition members, and even members of the general public, that more and more young people are involved in crime. This is just not true. In fact, according to statistics compiled by the Solicitor General and other departments, there has been no increase in youth crime, contrary to public opinion. Indeed, according to a Maclean Hunter poll, nearly 60 per cent of Canadians thought, and this of course includes Quebecers, that crime was on the increase.

I would also like to say that with respect to immigration, there is a general consensus in this country on the importance of recognizing not only the work done by the department but also by new immigrants to this country. We must not forget that during the eighties, nearly 90,000 immigrants came to Canada each year. As you know, Canada is known as a host country that is generous and tolerant. In fact, more and more people in other countries are interested in becoming citizens of the country with the best reputation in the world.

We now receive nearly 300,000 immigrants annually. Our strength is immigration, attracting people from other countries to come here and settle and become full fledged Canadians and contribute to the economic prosperity of the country.

But to say that the process has become very politicized—I do not think that is part of our culture. I do not think that in this country, we necessarily make political decisions on who will or will not be allowed into the country. We have certain procedures, we have a well established public service and programs to promote immigration by investors. People cannot say Canada is not a host country, is not a country where you can have a good life. If we only admit 300,000 annually, I am convinced—

An hon. member: Two hundred thousand.

Mr. Gagnon: It does not really matter, but I would like to know how many applications we get from all the Canadian consulates or embassies throughout the world.

Mrs. Gagnon: Madam Speaker, I would like to make a brief comment because this is not really a question. I agree with the member for Bonaventure—Îles–de–la–Madeleine when he says that crime has not increased; on the contrary, as I mentioned in my text, it decreased by 5 per cent in 1993, and we are very happy about that.

However, I would like to go back to the comment made by my colleague for Bourassa, who says that we should have been more efficient in this bill and provided corrective action of an administrative nature. It is inconceivable that all the services should have been concentrated in Végréville.

In my riding, people are demanding services. They have expectations. They complain about public services that are very impersonal and becoming more and more inhuman, especially for an immigrant or someone who wants to come to Canada. It seems to me that the relationship that should exist between the people from the host country and those who want to come here has been removed.

• (1605)

I think that this contact has been removed and I too would have liked to see some corrective action in the bill. I will not go back to all the clauses in the bill, but I believe that some of them are contrary to the principle of equity and fairness towards the immigrant population and permanent residents. I think that leaving in the bill the concept of discredit, that is that immigrants are more criminals than native born Quebecers and Canadians is to harm these cultural communities that have chosen to live in Canada.

My colleague for Bonaventure—Îles–de–la–Madeleine said that Canada and Quebec are indeed societies that welcome immigrants and are in favour of immigration, but this bill, in my opinion, will contribute instead to an increase of racism towards these cultural communities. We read in the newspapers that a black or a Haitian has committed a crime, but when it comes to a Quebecer or a Canadian, they just say an individual. We should be extremely careful on this issue and I will not repeat my speech, but I think that many clauses in the bill are not flexible and compassionate enough, and I will conclude my remarks on that.

[*English*]

Mrs. Eleni Bakopanos (Saint–Denis, Lib.): Madam Speaker, I rise today to speak once again in support of Bill C–44. I believe the Minister of Citizenship and Immigration clearly highlighted the bill's intention and the changes proposed as a result of the amendments that were passed by the committee.

As I have said in the past, Bill C–44 will provide us with the tools to deal effectively with people who abuse the system. Moreover it is part of the government's strategy to introduce an immigration plan that is fair, sustainable and responds to the needs of Canadians.

The minister of immigration said last August: "A good immigration policy is one that ensures the balance between equity and tolerance on the one hand and law enforcement on the other hand". Unlike members of the opposition, we have listened and continue to listen to what Canadians and Quebecers want in their immigration policy.

The legislation is long overdue. The bill we are dealing with today is necessary if we are to restore integrity to a system that has been damaged by the infiltration of a small but destructive criminal element.

My experience has shown me that for the most part immigrants who come to Canada wish to become full members of Canadian society. Canada is a great and generous country as all of us in the Chamber agree. Our doors have always been open to people fleeing economic hardship, persecution, war, civil strife, and to people who seek a better future for their children and themselves.

Immigrants, people like my parents, became Canadian citizens and participated actively in all segments of our society. Canada's history is full of such stories. The Chamber is full of stories of immigrants who through hard work and perseverance have made the country what it is today: one of the best countries in the world in which to live.

[*Translation*]

Canadians will not tolerate those who take advantage of their generosity, violate their laws or try to use the immigration and refugee determination process for criminal purposes. They must know that the government will not tolerate abuse. With Bill C–44, the government has taken all necessary measures to prevent abuse and protect the Canadian public against criminals.

[*English*]

As the minister mentioned earlier, the amendments we are considering today respond to various criticisms that the bill was vague and open to misinterpretation.

• (1610)

Furthermore the amendments we are examining today will improve the enforcement package we have put forward. They are not draconian measures as the opposition would like us to believe. They are a fair, efficient and common sense approach to the problems criminals pose to our immigration system.

The opposition parties continue to be opposed to our legislation, yet both have admitted they agree in principle that changes have to be made. The Bloc Quebecois thinks we have gone too far with our proposal and the Reform Party thinks we have not gone far enough. I think we are on the right track.

We are here to represent all Canadians. We have listened to Canadians from across Canada and put forward what we feel is the best solution.

The main points of the legislation are as follows. First, serious criminals deemed to be a danger to the public will not be allowed to claim refugee status as a means to delay their removal from Canada. Appeals against removal orders by persons convicted of serious crimes will be decided by the minister or his designate and not by the immigration appeal division. Senior immigration officers will be allowed to terminate refugee hearings because of criminality. Further, the legislation will give immigration officers the authority to seize identity documents from international mail if it is clear they are meant to be used to circumvent immigration requirements.

The legislation will also ensure that persons with summary convictions whether obtained inside Canada or abroad will be inadmissible. Bill C–44 will allow us to stop the processing of citizenship when a person is under inquiry.

Concerns have been raised over the definition of a serious criminal. Some are concerned that rightful refugees will be turned away. This will not be the case. One of the amendments we are considering today clarifies the definition of criminality. This is the essence of much of what Bill C–44 says.

It is important to note the two conditions. To be ineligible for refugee status an individual must be convicted of a crime punishable by 10 years or more in prison and must be deemed a serious threat to public safety by the minister. Both those conditions have to be met. Those considered a danger to the public would lose their right of appeal to the IRB on humanitarian grounds, law and issues of fact. They would retain the right to seek judicial review in the federal court and humanitarian issues would be considered by the minister when he or she makes a decision.

Contrary to what a lot of opposition members said, this responds to a lot of the concerns brought forward by the various organizations that presented their briefs before the immigration committee, for instance the Canadian Bar Association and other groups. We listened, took note and made those changes in Bill C–44. This is a government that listens to Canadians and, as we have proven in various other areas of legislation, takes their concerns seriously when the time comes to bring forth legislation.

Unfortunately the two opposition parties continue to voice the concerns of only parts of Canada. It is easy to put forward the ideas of just one region of Canada. It is, however, much more difficult to find the middle ground that will try to satisfy all Canadians. I believe we have done that with Bill C–44.

The Reform Party continues to call for an inquiry into the practices of the Immigration and Refugee Board and most recently proposed a total ban of the board. We recognize that Canadians are tired of abuse and we have moved quickly to respond to these concerns. Bill C–44 addresses a number of concerns of the Immigration and Refugee Board to allow for flexibility, a respect of humanitarian and compassionate grounds, and the need to prevent abuse of the refugee system.

The government recognizes changes have to be made in order to make the system work better. We are streamlining the system, making sure that other points such as enforcement are stronger.

[*Translation*]

Our government is committed to maintaining a truly effective immigration policy, preventing illegal immigration and ensuring effective border control. These new provisions are fair and reasonable. Furthermore, contrary to what was said on the other side of the House, they are consistent with the crime–related provisions of the Geneva convention on refugees. It is a matter of justice, of democracy.

The measures proposed in Bill C–44 are not excessive and do not ignore the needs of immigrants.

• (1615)

Madam Speaker, allow me to add that the immigrants themselves admit that the system is being abused. Those who took part in the public consultations and testified before the Minister of Immigration asked us to amend the legislation as it now stands. I reiterate that our goal is not to penalize immigrants but to eliminate existing cases of abuse in the system.

[*English*]

Bill C–44 is about crime. There are a small number of criminals who abuse Canada's good nature and compassion. We must protect the integrity of the system against these few, and I repeat these few.

Hon. members of the Bloc have said that we are tainting all immigrants by bringing forth this legislation. I do not believe that this is so. In fact, we are presenting the true picture of what immigrants have brought to this country. We are assuring that the few criminal elements that do exist in any system are dealt with quickly and efficiently and thereby, in my opinion, assuring that the good name of all immigrants is protected under the Canadian system.

[*Translation*]

Again, Bill C–44 will help us restore integrity and instill renewed confidence in the Canadian people.

[*English*]

Mr. Art Hanger (Calgary Northeast, Ref.): Madam Speaker, this member will recall that she sat in on a meeting with a group of Vietnamese people who expressed concerns about the undesirable elements among them. The gist of that meeting was that they indicated they wanted certain individuals removed from their midst.

I have the names of several of those individuals who have been causing problems in their community. Unfortunately half the Liberal members got up and walked out of the meeting when this group of Vietnamese concerned citizens wanted some deterrent and strong action on the part of the government.

An adjudicator just released several of these individuals into the community. Some have been charged with sexual assault with a weapon, B and E with a weapon. One was a gang member. Another one shot a kid in the face with a gun in Vancouver. One was just released from the Fraser Regional Institute. There is robbery, assault, trafficking in heroine and the list goes on and on. These individuals walk freely in the community. Why does Bill C–44 not deal with these very violent criminals?

Mrs. Bakopanos: Madam Speaker, first I would like to correct something the hon. member said. I remember sitting in on the meeting with the Vietnamese community and I did not walk out. Neither did the rest of the members but that is not the point of the hon. member's question.

As far as the cases that he has brought up, I am not personally aware of those cases. I do not know if they are real or fabricated. A lot of times the terms of what is brought forth by members of the opposition is sensationalization. That is exactly the type of thing that gives a bad name to all immigrants, including myself if I may say so since I am a child of immigrants to Canada.

What we have to keep in mind is that Bill C–44 is one way we can as a government effectively, efficiently and quickly take care of the criminal elements in our society.

Bill C–44 does address some of the problems that have been raised by the hon. member.

An hon. member: What about the other one?

Mrs. Bakopanos: That was before Bill C–44. That is not after Bill C–44. We have not adopted it yet, have we?

[*Translation*]

Mr. Osvaldo Nunez (Bourassa, BQ): Madam Speaker, I often hear government members say that Canada is the best country in the world. I am not disputing it, I am simply urging more caution. There are 1,500,000 Canadians who are unemployed and four million living under the poverty line.

• (1620)

We are struggling with enormous problems. Unemployment is high in Montreal. In the riding of the hon. member for Saint–Denis alone, 20 per cent of the population is either on UI or on welfare.

Each year, 80,000 persons leave Canada. Why? When we travelled to Cyprus together—a very pleasant trip—many Canadian Cypriots told us they had returned to their country because of the problems we are having here. I think we should be more careful.

As for Bill C–44 not violating the Geneva Convention on refugees, the Canadian Council has testified that certain clauses are in violation of the Geneva Convention. Not one of the major organizations that the Standing Committee on Citizenship and Immigration has heard supported this bill. Every organization and individual who testified before the committee criticized it, some going as far as asking for its withdrawal. The Canadian Bar Association, a most respectable organization, criticized the substance of the bill. When I asked the Canadian Ethnocultural Council if any cultural community organization in Canada supported this bill, the answer was "no".

So, I wonder if the hon. member for Saint–Denis could tell me why no organization supports Bill C–44.

Mrs. Bakopanos: Madam Speaker, I do not think that all of them have said that we had to get rid of the whole legislation.

[*English*]

I think a lot of them said they would like to see certain clarifications and certain amendments made to the legislation. We have listened to their concerns.

We have in fact brought forward some of those amendments. I stated one: In order to be ineligible for refugee status an individual would have to be convicted of a crime punishable by 10 years or more in prison. It must be deemed a serious threat to public safety. I think that was brought up because in Bill C–44 we did not stress that it was 10 years or more in prison.

We did listen to the representations of the various organizations and did take their concerns into account when we prepared the legislation. To say that they told us to do away with the legislation is not the truth. In fact, a lot of people felt there were valid reasons for bringing forth this legislation.

I do not want to repeat what I have already said in my speech. The minister has held public consultations across this land. He has listened to the Canadian people. The Canadian people have told him that they want to see criminals deported as quickly as possible. This legislation does respond to the general sentiment across this country, including Quebec, that criminals who commit crimes in Canada which are punishable by imprisonment for 10 years or more will be dealt with quickly and will be deported to their country of origin.

I do not think that anyone who came before the committee can dispute that fact.

Mr. Hanger: Madam Speaker, just a point of clarification from this member in reference to the search of mail coming through customs.

I ask the member what the government is going to do about the shortage of manpower in the area of customs in order to adequately search for the illegal documents. I am very much aware, as is the member, that there is a serious shortage of manpower to do this job. As the customs union representative pointed out the legislation would be moot. It would be of no value whatsoever.

What is your government going to do?

Mrs. Bakopanos: Madam Speaker, I think the minister has answered that question often enough. He has been asked that question numerous times by the hon. member.

• (1625)

I think what we have said is that we are going to work closely with the Minister of Justice and the minister of public security to ensure that there is seizure of the mail. That question has been answered numerous times.

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Madam Speaker, there are a number of deficiencies in this bill, deficiencies that were drawn to the attention of the government by witnesses who came and spoke eloquently at the standing committee hearings. These deficiencies were not dealt with and I would like to just deal with those now at some length if I may.

In 1991 The Citizens' Forum on Canada's Future released its final report on the state of our country. It was one of the most wide ranging and I might add, one of the most expensive committees in Canadian history. It spent over $23 million to get the pulse of the citizens of this country. However, it amounted to little more than a very expensive blood pressure check. Thanks to chairman Keith Spicer we were told what we knew all along: that people get angry when they are ignored by their governments.

The Reform Party grew out of this frustration and the fact that 52 of us now sit in the House of Commons is proof that this frustration is still alive and well.

Among its findings, the citizens' forum found Canadians have had enough of this partisan political system that the Liberals enforce and encourage with a passion. According to the report: "One of the strongest messages the forum received from participants was that they have lost their faith in both the political process and their political leaders. They do not feel that their governments, especially at the federal level, reflect the will of the people and they do not feel that citizens have the means at the moment to correct this".

It adds later: "They would like major decisions affecting them to be made in a responsible manner and in a manner that is responsive to both the expressed views and the general well–being of citizens".

Two years later the Liberals promised in their much touted red book to restore respect for government. They said that in the House of Commons a Liberal government would give MPs a greater role in drafting legislation through the House of Commons committees.

As a member of the Standing Committee on Citizenship and Immigration, I was looking forward to playing a constructive role in drafting legislation that reflected the needs and the aspirations of Canadians. It was my hope that a new spirit of co–operation would come from this government, a spirit I am always willing to help and encourage.

To me, Bill C–44 was to be a test of this Liberal commitment. Would the Liberals be willing to co–operate with the Reform Party of Canada in making Bill C–44 work? Would they be willing to listen to Canadians on the pros and cons of this bill? Would they be willing to make changes to the bill to account for its flaws and shortcomings? I am sad to say on all accounts they most emphatically were not.

From the very start of the hearings Reform MPs have been faced by Liberal members who have shown neither an interest in working with us in the manner the red book promised nor the respect their peers expect and deserve. After promising to take the high road in dealing with the opposition, the Liberals have suddenly taken a liking to slinging mud at anyone on the opposition benches.

The Reform Party members of the Standing Committee on Citizenship and Immigration and the Bloc Quebecois members I might add have tolerated constant interruptions when questioning witnesses, sarcastic comments in the middle of statements, an atmosphere of unfounded animosity and confrontation at levels never before seen in Canadian politics. I wonder, is this what this new style of government is all about?

I am more upset though with how undemocratic the entire committee process has become. In black and white, the Liberals promised to give the Commons committees more leeway as well as the power to be more than just lap–dogs of the ministers. Committees are supposed to be the eyes and ears of the House, ensuring that average Canadians are heard on important issues.

• (1630)

Over the past several months the Standing Committee on Citizenship and Immigration heard from numerous witnesses who came at taxpayers' expense to share their concerns about Bill C–44 and to offer their suggestions about how it can be made more effective.

The standing committee heard from a wide range of groups and individuals: lawyers, refugee advocates, police officers, labour groups and international organizations. Not one of these groups had kind words for the government on this bill. Yet clearly the Liberals have turned their backs on Canadians and followed the beck and call of the Minister of Citizenship and Immigration.

For the record, and to jog the memories of the Liberal members sitting opposite, let me state what some of these groups had to say on this piece of legislation.

Amnesty International believes:

> Measures contained in Bill C–44 potentially violate rights guaranteed by the charter and in international treaties concerning refugees and the prevention of torture.

The Quebec Immigration Lawyers Association, after outlining 14 series concerns, concluded: "Bill C–44 must be withdrawn".

The Canadian Bar Association is concerned that "the express goals of saving money and reducing delay are not likely to be advanced by the provisions of Bill C–44".

The United Nations High Commissioner for Refugees in Canada believed that Bill C–44 violated sections 30, 58 and 1(f)(b) of the Geneva convention.

The Canadian Labour Congress stated:

> We believe C–44 in fact violates Canada's Charter of Rights and Freedoms.

There are numerous other warnings from groups all across the political spectrum. I wonder what my Liberal colleagues across the way remember of these concerns.

In summary, these and other groups accused the government of breaking sections 11, 7 and 15 of the Charter of Rights and Freedoms, as well as numerous international conventions dealing with refugee treatment, torture, execution, war zones and disappearances.

The bill would not stand up five minutes against a charter challenge and would be condemned by the international community if passed. It is hard to believe that the government would refuse to deal with these serious concerns or even at least acknowledge that they exist.

On the issue of enforcement, the Minister of Citizenship and Immigration and I had a rather heated discussion when he appeared before the standing committee. I asked him bluntly: "Can you enforce Bill C–44? Yes or no?" His response was: "Yes, we can". That was a strong pledge in my opinion, but fortunately for the minister he is not the one who will be enforcing the bill. What about the people who will be enforcing the bill? What did they have to say?

According to the Canada Employment and Immigration union, "Additional staff is needed to process applications and help integrate new entrants in a timely fashion". They do not have the staff needed to fulfil their current duties, let alone any new duties.

The customs union said:

> What benefit can be derived by the amendments proposed by Bill C–44, if we currently do not have the resources or the capacity to enforce even the existing legislation?

Finally, Canadian Police Association President Neal Jessop said:

> It reminds me of putting a band aid on the Hindenburg. The problems are not going to go away.

What else is there to say? Whom should I believe? The Minister of Citizenship and Immigration, a politician with little or no background in policing issues, who claims that Bill C–44 can be enforced? Or, shall I believe the people on the front lines who admit that they cannot enforce the laws now and that Bill C–44 will not make enforcement a more realistic possibility in the future? Whom should I believe?

The hon. member for Calgary Northeast, Bloc Quebecois members on the committee and I have pointed out each and every one of these flaws to the committee. We have brought them to the attention of the Liberals through questions, statements and finally a motion last December calling for an inquiry into these concerns.

• (1635)

Liberal members struck down the motion. When asked why, the Liberal member for Elgin—Norfolk responded: "We don't need to tell you".

The member for Bourassa cautioned the Liberals that they were being disrespectful of their fellow MPs. I was shocked at the response from the Parliamentary Secretary to the Minister of Citizenship and Immigration. She responded: "If the shoe fits, wear it".

Is this the new form of government the Liberals promised? Is this how the Liberals listen to Canadians? Is this how our country is going to be governed for the next three years?

I say for the record that the committee hearings into Bill C–44 have been an absolute and total farce. They have wasted my time as a member of Parliament, time that could have been much better used perhaps in dealing with constituency concerns. They have wasted the time of witnesses who have travelled hundreds of miles in some cases to share their concerns with us, only to find they were shut out in the final analysis. Finally, they have wasted taxpayers' dollars on a series of consultations that the government obviously did not take seriously.

The Liberal government has not addressed the serious concerns over the legality and the enforceability of Bill C–44. In the process it has made a mockery of the Standing Committee on Citizenship and Immigration. The Canadian people want meaningful legislation. They want to deal firmly with criminals who take advantage of our country's goodwill. They do not want laws that will be struck down by the courts and ridiculed by the international community. Most important, they do not want laws that cannot be enforced.

Until these specific concerns are addressed by the government, until the Liberals prove they are willing to seriously listen to the Canadian people, until they deal with the unconstitutionality of the bill, and until they give our enforcement officers the resources they need to make the bill work, I and the rest of the Reform caucus intend to oppose Bill C–44.

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration, Lib.): Madam Speaker, I am delighted to follow my colleague on the parliamentary committee, the hon. member for Cariboo—Chilcotin, because I heard something in his speech that appears to be a departure from normal Reform policy.

As you are well aware, Madam Speaker, and as other members of the House who were here in the previous Parliament are aware, I have a very deep and abiding affection for the Charter of Rights and Freedoms. I feel it is one of the great gifts that the legacy of the Right Hon. Pierre Trudeau left to the people of Canada.

An hon. member: You can't say his name.

Ms. Clancy: The hon. member opposite might want to check parliamentary procedure. The Right Hon. Prime Minister Trudeau is no longer a member of the House. Ergo it is permissible to name him without breaking the rules of Parliament.

It was a pleasure to hear the hon. member for Cariboo—Chilcotin cite with regard to Bill C–44 that it would not withstand a charter challenge and I forget whether he said for three seconds or three minutes. I would like to know specifically from the hon. member what that charter challenge would be. Under which section of the Charter of Rights and Freedoms would he put it and could he possibly outline an argument?

Mr. Mayfield: Madam Speaker, I was in discussion with a constituent of another constituency, not my own. The concern there was that following the policies of the right hon. member who has been mentioned we hardly live in a country any longer. "We are a large plot of geography", he said, "in which a lot of different people try to make a living without any common history, without any common destiny or without any means of coming together".

With regard to the member's question, if she would like to review the transcript of the committee meetings the information is all there.

• (1640)

Ms. Clancy: Madam Speaker, it is fairly rare that I am accused of being obscure in my comments. As a matter of fact most people tend to think that I can perhaps be outspoken at times. I will be as succinct and as quick as possible. I already talked with my colleague next to me from the province of Saskatchewan who is a member of the bar. I found that he had the same concerns as I do with regard to the comments of the hon. member for Cariboo—Chilcotin.

I repeat. The hon. member said in his speech that the bill would not survive a charter challenge. I cannot remember whether he said three seconds or three minutes but he did say it. I know my colleague in the Chamber from London, another member of the bar of Ontario, would agree with me that there are sections of the Charter of Rights and Freedoms that can come in conflict with federal legislation.

If one is to make a statement that says a bill before the House would not survive a charter challenge, as we would say in the land of my birth, Nova Scotia, "put your money where your mouth is and tell us how it will not survive a charter challenge". What section does it offend? What is his argument that states it would leave us in a constitutional quandary?

Mr. Mayfield: Madam Speaker, I will be glad to quote the sections of my speech once again for the hon. member's benefit. If the hon member has her pencil out, she can take notes.

I quote Amnesty International that said there were measures contained in the bill that potentially violate rights guaranteed in the charter.

I also quote the Canadian Labour Congress that says:

> We believe C–44 in fact violates Canada's Charter of Rights and Freedoms.

There are other groups that accused the government of breaking sections 7, 11 and 15 of the Charter of Rights and Freedoms, as well as numerous international conventions dealing with refugee treatment, torture, execution and war zones.

I do not have to quote the sections because they have already been quoted by people who know more about the law than I do, and the hon. member too, I might add.

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration, Lib.): Madam Speaker, I am delighted to take part in third reading debate on Bill C–44.

I am sure the hon. member for Cariboo—Chilcotin who spoke before me will probably stay for some of my speech. I was very interested to hear the comments of the hon. member. I am still waiting to hear which sections of the Charter of Rights and Freedoms are violated, but I was particularly interested to hear him talk about the way people feel about politicians.

I was particularly interested in the comments of the hon. member for Medicine Hat who made a comment about politicians. I would really like to tell the member for Medicine Hat that like it or lump it the day he got elected he became a politician.

Mr. White (Fraser Valley West): A representative.

Ms. Clancy: We are all representatives, Madam Speaker, through you to that gentleman.

Mr. White (Fraser Valley West): Some better than others.

Ms. Clancy: I represent the people of Halifax and I have been re–elected.

Mr. White (Fraser Valley West): You won't be next time. That seat is gone.

Ms. Clancy: Wait and see.

At any rate, the member for Cariboo—Chilcotin talked about this and I would like to say it is interesting that he used that against a government with a Prime Minister who enjoys an unprecedented rate of approval and popularity. I merely bring it up as an anomaly, clearly in the way the members opposite seem to deal with the realities of politics.

• (1645)

What I really want to talk about here today is again the question of a phrase that is often used in this House and is perhaps ill understood. The phrase I want to talk about is due process. I want to make it very clear that I ascribe to my Reform colleagues across the way the best of intentions when it comes to areas of criminal law and the protection of Canadian citizens, the protection of victims and the incredible need to ensure the very important concept of safety in our streets and in our homes. I want to make very clear to my colleagues across the way that the questions of safety for Canadians are very important.

The hon. member is whistling. I will talk to him later. I will finish my thought first.

At any rate, the whole question of due process is one that can be very frustrating, as we all know. Situations arise and the way the law works can often be mystifying, lengthy, unsatisfactory. To many people it creates a solution that on the face of it at the very least is unjust or appears to be unjust. It is a difficult concept to come to grips with.

If you look at the concept of due process and the development of English law under which our criminal law has developed you will know that it is a process that has been developing for well over 1,000 years. The courts in England developed it prior to the Magna Carta and the bill of rights and they worked along through these various times and ages, through the politics of monarchs to the politics of Parliament, until now when we have arrived at the last decade of the 20th century and they still are colossally imperfect.

I do not think anyone who deals with the criminal justice system in any of those countries that follow the English system of common law would disagree with that. They are colossally imperfect. While they are colossally imperfect, they tend to be better than anything else. The difficulty is that if you lift the rights for some you lift the rights for all.

I have a constituent with whom I discuss these matters quite frequently and we tend to disagree a lot. This constituent is very concerned with questions of public safety, as am I. He feels that our courts are too lax, give too much credence to the rights of the accused, and on and on.

Not too long ago he told me about his son who in his early twenties was pulled over because his car resembled a car that had been used in the commission of an offence. He was very upset that his son was stopped and put in the position of possibly being a suspect in a criminal offence. As it turned out for his son it came to nothing because his son was completely innocent in this case and went on his way. It was a frightening experience for the young man and a disturbing experience for the father.

I listened to that and I took it under advisement. A couple of weeks later when he called me and talked again about the accused having too many rights and the accused being allowed this and that, I reminded him of his concern about his son who had been stopped, who was completely innocent.

• (1650)

I reminded him that those safeguards that protected his son have to protect the guilty and the innocent alike or they will not work at all. We have to believe in the presumption of innocence and we have to practise the presumption of innocence. We have to practise fairness in the courts. We have to practise the independence of the judiciary and the independence of quasi–ju-

dicial bodies. There are lots of times that the decisions that are mounted are irritating and frustrating and downright wrong.

There is an old story in a book about judges that was published some years ago. A particularly narrow minded member of the judiciary was giving a barrister a very difficult time. Finally he said: "I can only advise you to take your petition to the Lord", to which the barrister responded: "Thank you very much, my Lord, but I will take it to the appeal court and probably will do a lot better".

At any rate, the point is that the freedom and the balance of the law sometimes tip too far one way or the other. What we attempt to do through legislation, what we attempt to do through the administration of justice in this country is to keep the balance as fair as possible. It does not always work.

When I was in law school a professor who is now teaching at the University of Victoria used to talk about something called the universal theory of rough justice which is not terribly satisfactory. His theory as a professor was that 80 per cent of the time justice gets done.

I can remember as first year law students we were horrified at this because that meant 20 per cent of the time justice did not get done. He explained to us that by and large it was a pretty good average. To this day that still frightens and horrifies me, that in 20 per cent of cases justice does not get done.

In the 20 years that I have been involved either as a lawyer or a legislator I have yet to see another system that works better. That is not to say that we do not constantly strive to refine the system that we have, but we do not refine that system by taking away rights. We refine that system by ensuring its fairness and its balance. We refine that system by refining the basic theory of due process and justice.

With regard to Bill C–44, we have listened over the past year or more to a variety of people telling us where we needed refinements, particularly with regard to the criminal justice system and immigrants, and we listened.

My hon. colleague from across the way made the statement that we did not listen to the people who came to us at the committee. I would like to say with the greatest of respect to that member, we did listen. We brought in 11 amendments that reflected the majority of concerns of the people who came before us.

One of the things that I have learned in six years in this House, and I think it may be the most important lesson one can learn as a legislator, is again the lesson of balance. We cannot go too far one way or the other way. That probably reflects my own political philosophy. It reflects the political philosophy of the party of which I am proud to be a member. It reflects the political philosophy and the response of the vast majority of Canadians.

To quote the former Prime Minister, Mr. Trudeau, those of us in the Liberal Party were the party of the radical middle, the party of the extreme centre. To paraphrase a poet, William Butler Yeats, the Irish poet, the centre cannot hold.

• (1655)

In Canadian politics and in the affairs of Canadians, particularly those matters that relate to the criminal justice system, to maintain fairness and to ensure justice the centre must hold. It is our responsibility on this side of the House to hold that centre.

I want to say a few words in particular about immigration in Canada. I want to say that it bears repeating over and over that every single one of us in this House, every citizen of this country is of immigrant stock. Even both our colleagues who come from the north and several other colleagues from Manitoba, those of our colleagues who belong to Canada's founding peoples, the aboriginals, will admit that their ancestors first came here across the land bridge from Asia 5,000 years ago. Everybody in this country came from somewhere else.

We are a nation of immigrants. If it were not for the Scots, the Irish, the English, the French, the Germans, the Italians, the Ukrainians, the Poles and on and on, all of the different groups that came here and chose Canada, we would be a poorer country. We would be a weaker country. We would be a less tolerant and less fair country.

The vertical mosaic that is Canada is an amazing experiment, a terrific example to the rest of the world. The response to the vertical mosaic from other countries is the response that the United Nations told us, that this is the best country in the world in which to live. Obviously that forms part of the reason for people choosing to come here, but it is also something that we must hold on to as legislators as we pass laws that will affect the citizens of this country, the people we are here to represent.

I have been very fortunate in the year and a month that I have been parliamentary secretary in immigration and citizenship to travel all over this country. I was in the riding of Calgary Northeast on Friday with the hon. member opposite, the immigration critic. I was there for a symposium on immigrant youth. There were 350 I believe—and my hon. colleague will correct me if I am wrong—places at this conference. They were all filled and there were 100 on the waiting list to meet and talk about the problems and concerns of young people who come to this country from other places.

At the opening ceremonies that the hon. member and I attended there were about 100 people, most of whom represented service organizations, NGOs, government levels, et cetera, all there because of their concern for immigrant youth to ensure that they settle into this country, to ensure that their needs are met. These things are increasingly important because we hear over and over again when so and so came 100 years ago we did not have settlement groups. No we did not. Of course we

also did not have small pox vaccinations and medicare. I hope we have improved to some degree on both of those things.

I note, Madam Speaker, that you are cutting me off in full flight. I have two minutes to go, so I had better wind up and talk a little bit about the specifics of Bill C–44.

• (1700)

The specifics of Bill C–44 are the response to a need. This morning the minister talked about the problems we dealt with, the rank insanity, if you will, of convicted criminals calling the immigration board to prisons to hear their stories on whether they should be granted status in Canada. Those problems will be dealt with by Bill C–44. Those problems will not be solved completely by the bill, but again we move forward to deal with each difficulty in the area as we see fit.

Bill C–44 is a strong and open response by the government to the problems evinced to us by the major players and stakeholders. We will deal with the bill and if further developments are necessary in the legislation, so too will we deal with those.

I support the bill and I adjure my colleagues on the other side to do the same thing.

[*Translation*]

The Acting Speaker (Mrs. Maheu): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Québec—social program reform; the hon. member for Frontenac—international trade.

Mr. Osvaldo Nunez (Bourassa, BQ): Madam Speaker, I, like several lawyers who participated in the committee hearings, believe that this bill violates certain provisions of the Canadian Charter of Rights and Freedoms and of the Geneva Convention. I hope that, once it becomes law, it will be immediately challenged before the courts.

I am thinking in particular of the provision which allows for the seizure of international mail by immigration officials. This is a reversal of the burden of proof. The presumption of innocence is protected in the Canadian Charter of Rights and Freedoms, but not in this legislation. The mere fact of importing or exporting identification documents or papers is an offence. Consequently, a person must prove that he or she has not committed an offence, which is contrary to the basic rules of law.

The parliamentary secretary then tells us that this is an excellent bill. Why is it then that all the organizations and all her colleague lawyers, including the president of the Canadian council for refugees, David Matas, who is also a lawyer and a former Liberal Party candidate, told the committee that this was a bad piece of legislation and that it violated the Charter and the Geneva Convention for refugees?

Indeed, the Canadian bar association, the Barreau du Québec, the Canadian ethnocultural council, as well as highly respected members of the legal profession in Canada criticized this bill, from a legal standpoint. I agree with the comment made by the hon. member who spoke before me to the effect that the Liberal majority did not co–operate. The Liberal members did not read all the briefs and they did not listen to all the testimonies made before the committee. More importantly, they did not listen to the opposition.

We submitted amendments that have ben implemented in other countries. We said that it was necessary to protect those who are here, the permanent residents who have been in Canada for at least ten years. These people already belong to our society; they have very little in the way of emotional links with their country of origin; they no longer have any family left over there. Why not make an exception for the people who have been living in Canada for a long time, for 40 to 50 years, and who, for many reasons, have not become Canadian citizens? They still are permanent residents.

• (1705)

We also said that we have to protect the younger people who are living here, in Canada, with their parents but who are not Canadian citizens. They are the products of our society. If they commit an offence, they have to pay for it here. Why should we deport them? They no longer have any family over there, their family is here, and our society is responsible for their education.

So, why were the amendments put forward by the opposition, by the Bloc Quebecois, rejected? I refer to amendments designed to include in this bill provisions found in other jurisdictions like Australia, which is as open to immigrants as Canada. Even in a country like France, not recognized for its open immigration policy, the immigration act is more caring than this bill introduced by the minister.

[*English*]

Ms. Clancy: Madam Speaker, I am delighted to respond to the questions of the hon. member for Bourassa.

First, with regard to his contention that we are in conflict with the Geneva convention I can only say that I believe the hon. member was there, as I was, when the United Nations High Commission for Refugees' representatives came to the committee, were questioned on that and did not agree with him.

The government does not think it is in contravention of the Geneva rules and neither does the UN. Beyond that I am not quite sure where we should go. Perhaps the hon. member thinks we should run to the position of the Bloc. I can only say that I am not now nor have I ever been nor do I intend to be a member of the Bloc Quebecois.

With regard to co–operation on amendments, particularly on the amendment that the hon. member mentioned—I am going to try to say this as clearly and as succinctly as possible because this is something that a number of members on the other side in both parties do not seem to understand—the reason is that we are on opposite sides. We have different beliefs and different ways of achieving our ends.

We are on the government side. We have a majority. Frequently we are going to disagree with the Bloc on a number of issues, particularly those issues that go to the heart of what it is to be Canadian. We disagree as well most vociferously with the third party on practically everything.

Consequently I am not quite certain what the members of the opposition expect here. That is the point. They are the opposition. We are not supposed to agree.

I am quite happy to think that both parties are serving Her Majesty in the best way possible by being a loyal opposition and disagreeing with what we say. If we agreed, I would be worried.

Mr. Art Hanger (Calgary Northeast, Ref.): Madam Speaker, I know that the parliamentary secretary likes to talk about flying as does the minister. He certainly has alluded many times to the planes that fly and land and the ones that crash. I believe the parliamentary secretary is still flying and she has not come down to earth yet to learn what is happening. She needs to put her feet on firmer ground.

The parliamentary secretary attended various meetings and listened to all kinds of experts dealing with Bill C–44. Several flaws have been pointed out in the removal provisions by these experts.

These flaws are in the existing legislation as well as Bill C–44. It is not going to change anything.

Could the parliamentary secretary tell me if the government is going to keep confined those violent criminals until travel documents to remove them are obtained rather than releasing individuals into society. I have the name of one here. Mr. Gregory George Jordan has been charged with second degree murder. He is an Australian with a deportation order against him. He is walking around on day parole. What is the parliamentary secretary going to do about individuals like that? Is she going to keep them confined until removal orders are present to remove them?

• (1710)

Ms. Clancy: Madam Speaker, sometimes one feels as if one is a voice howling in the wilderness. The hon. member knows, or at least he should know after a year and some time in the House and after a year and some time as the critic for immigration, that commenting on individual cases is neither proper nor appropriate. He knows I am not going to comment on a specific case.

What I am going to do is refer the hon. member yet again to the provisions of the bill that deal with the question of serious criminals, that deal with their removal. I remind the hon. member that a bill that is not yet passed can hardly be enforced. Let us get the bill passed so the kinds of criminals he is talking about can be dealt with expeditiously.

If we had the support of the third party on this bill, if they were so concerned with the whole question of criminality and the speedy removal of serious criminals, then perhaps they would support this bill instead of haranguing on issues that are not really on point.

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Madam Speaker, in a sense it is a pleasure to rise in the House today to address Bill C–44, an act to amend the Immigration Act and the Citizenship Act. This bill is not all bad but it surely is not all good. If I had to summarize, it is just not good enough.

When the government first announced its intention to amend these two controversial pieces of legislation it was my hope to be able to offer support. However, since the bill is little more than smoke and mirrors I have to speak in opposition to it.

The bill offers very little of substance and provides only a false impression of security to the millions of Canadians who are concerned about our lax immigration process. It offers no significant changes, contrary to the words September 19, 1994 by the immigration minister. During his speech at second reading the minister said: "Enforcement is a priority of my department".

Yet in this bill we see no provision for extra enforcement officers. There are also no specific measures for strengthening the enforcement process. In fact, during his speech the minister admitted: "There has been slow enforcement" yet I repeat there are no provisions to increase enforcement.

He also said: "When it comes to enforcement of immigration issues we have to do a better job". I fully agree with the minister's statement and therefore have to ask why this bill has side stepped the issue of enforcement?

The minister also talked of the integrity of the immigration system saying: "If we do not deal swiftly and crisply with both the perception and the reality of abuses to our immigration and refugee system, the integrity of the entire system is in jeopardy". The minister was correct in his assessment, yet by offering up this innocuous legislation he will create a false sense of security that will do more harm than good to the integrity of the process he is worried about.

While the minister talked a good talk during his speech his actions have failed to match his words. He says he wants to get tough on immigrant criminals. However, in Toronto the minister recently cut the number of investigation and enforcement officers back from 36 to 30. Only 30 officers to track down the approximately 24,000 deportables suspected of living in and around the greater metro Toronto area. The minister also cut overtime staff in the Vancouver region. This is what the minister calls making enforcement a priority?

• (1715)

The minister might argue these cuts were made to save money, but that is a red herring. If he wants to save money he should stop appointing his friends to the high paying jobs at the IRB. When those friends are found to be abusing the power of their positions he should not be permitting them to receive golden handshakes. Need I remind this House of the Michael Schelew affair? If the minister wants to restore integrity he should disband the Immigration and Refugee Board instead of giving it more power.

Under this bill the IRB is given the power to stop a refugee claim if a serious criminal background is discovered. Sounds good. The minister heralds this part of the bill as a great improvement. However, what the minister does not say is that he already has that power under section 69(1) of the current Immigration Act.

The problem is the minister is afraid to use that power. In bestowing that authority on the IRB the minister is abdicating his own authority. He is the man ultimately accountable to Canadians, yet by abandoning this power it is obvious he is unwilling to be accountable.

In fairness, in reviewing the bill I have to acknowledge that the government has made an effort to make the appeal process slightly tougher. However, it is only a small step in the right direction and it simply does not go far enough.

There are also other measures contained in this bill where I must say the government is on the right track, but in typical Liberal fashion these are only half measures. For example, the minister has seen the wisdom of limiting the power of the immigration appeal division to stay the removal of or allow appeals by serious criminals on humanitarian or compassionate grounds. Again this is only a half measure.

It is also a positive step to fully legitimize the act of allowing customs officers to seize mail suspected of containing fraudulent identity documents. However, at the committee hearing on this bill Mansel Legacy, the head of the Customs Excise Union, said there are so few mail checkpoints and inspection personnel that this measure is not enough in itself and will accomplish very little.

Many may say the examples I have cited here in opposition to this bill are just further proof of the Reform Party's desire to shut Canada's borders to immigrants. I would like to remind this House that almost without exception witnesses before the standing committee condemned this bill as inadequate.

Just for the sake of clarity I want to reiterate a few of the salient points of immigration policy that the Reform Party advocates.

First the Reform Party supports an immigration policy that has as its focus Canada's economic needs and we welcome genuine refugees. The Reform Party remains convinced that immigration has been and can be again a positive source of economic growth, cultural diversity and social renewal.

The Reform Party opposes any immigration policy based on race or creed. We do support an immigration policy that would be essentially economic in nature. Immigrants should possess the human capital necessary to adjust quickly and independently to the needs of Canadian society and the job market.

• (1720)

The Reform Party supports restricting sponsorship privileges to members of immediate families, that is, wives or husbands, minor dependent children and age dependent parents. All others should apply for entry through the normal selective process.

The Reform Party supports a policy accepting the settlement of genuine refugees who find their way to Canada. A genuine refugee is one who has a well–founded fear of persecution and qualifies under the strict requirements of the United Nations convention.

By the same token, we support a policy of immediate deportation of bogus refugees. If the government opposite would like to read from this it is all contained in the Reform's blue book, good reading as opposed to the red one.

During his speech the minister also talked about his broad consultative approach in all of this. However, a leading Toronto immigration advocate labelled that same process a sham. Well I will not do that, but I will say that on a couple of occasions I invited the minister to come to my riding of Nanaimo—Cowichan to hear what immigrants there think needs to be done to address current problems. It is unfortunate, I know the minister is busy, but he has been unable to find the time to accept those invitations for true grassroots consultation.

In Nanaimo we are experiencing the type of problem the minister talked about in his speech at second reading, namely a few immigrant criminals casting a shadow over the reputation of many. In fact, a confidential police report obtained by my office states: "The hub of Asian organized crime for the world will be situated in Vancouver and Vancouver Island by the turn of the decade". Unfortunately I see very little in this bill to stop this ominous prediction from becoming a reality.

People of Nanaimo, immigrant and non–immigrant alike, are concerned about this fact. That is why I wanted the minister to hear directly from these people. Since that has not been possible, at least not so far, I would like to tell the minister and this House just what a group of Nanaimo immigrants feel must be done to correct the current immigration process.

First, a direct quote from one of the Vietnamese participants at a meeting I held in Nanaimo in this last year: "The government screwed up by allowing many immigrants into Canada without properly checking their backgrounds". Again, there is nothing in Bill C–44 that leads me to believe this situation will be addressed.

Second, the same Vietnamese Canadian participants said: "Those immigrants selling drugs have no fear of the law". That is because most of these immigrants know that even if they are ordered deported, it may be years before they are actually kicked out of the country, that is if they are ever tracked down by a grossly understaffed and overworked enforcement service.

• (1725)

Third, quoting again from this group of Vietnamese participants: "The government must get serious about toughening its immigration laws". These are immigrants telling the government what they believe should be done.

Legitimate law–abiding immigrants in Nanaimo do not fear the kind of tough measures Reform has advocated. In fact, they would welcome the kinds of proposals Reform has talked about knowing that our policies would only be detrimental to those who do not or will not abide by Canadian laws.

In short, Nanaimo's immigrant population wants to be a productive part of Canadian society and we want them to be. They want to contribute toward building a better and safer Canada. However they agree that this cannot be done without a strict immigration policy of zero tolerance toward immigrant criminals. This bill does not have the teeth required to implement such a policy.

It is with the views of immigrants within my riding in mind that I appeal to this government here today to abandon this nebulous piece of legislation in favour of meaningful and significant changes.

Those changes should include provisions for extra enforcement officers, a zero tolerance policy for immigrants convicted of serious crimes either in Canada or prior to their arrival, the addition of health provisions such as mandatory HIV testing, and a policy to refuse admittance or expedite deportation of those suspected of war crimes or crimes against humanity.

In his 1994 annual report the Auditor General also suggested changes to the way in which immigration responsibilities are carried out by different government departments. The Auditor General has concerns about the lack of reporting either by the immigration department or the other departments that have some responsibility in this area. If the minister is looking for ways to save money, which he should be, he should consider making the necessary reporting changes advocated by the Auditor General a part of this legislation.

There are many more areas where this bill falls short. The minister has shown some courage in taking these first steps but he has also demonstrated a lack of understanding as to what Canadians want in a sound immigration policy. Either that or he simply lacks the intestinal fortitude required to make the needed changes.

The minister is fond of telling this House that the buck stops with him. In the sense that the buck is a dollar, I urge the minister to withdraw this two–bit piece of legislation and come back to this House with the entire dollar's worth of change needed to address the serious inadequacies in the current immigration process.

Mr. Jim Karygiannis (Scarborough—Agincourt, Lib.): Madam Speaker, I was following the speech given by the hon. member. He always refers to new Canadians other than his own race as immigrants. I want to know, the people he was talking to, the Vietnamese Canadians, are they still immigrants or are they Canadian citizens who have the right to express themselves? Just because they look different, we should not call them immigrants for the rest of their lives.

He quoted the figure of 24,000 deportees and mentioned that we have only 20 investigators. I am sure he knows that of the 24,000, not all of them are criminals. Some of these people are missing papers or documentation. One cannot call 24,000 refugees waiting for papers to be in order as criminals and ask them to be investigated.

Can he clarify those two points for me? I would appreciate it.

• (1730)

Mr. Ringma: Madam Speaker, to respond to the first point, of course concerning people who are landed immigrants, we should stop calling them immigrants after a while. The group I was referring to was a mix. Some were immigrants without status, others have status.

We are all immigrants after all, as the hon. parliamentary secretary stated just a while ago. In this case there was specific reference to a Vietnamese community. Am I to go into the political correctness realm to try to skate around the fact that they are identifiable? It was a group to whom I spoke, identifiably with a Vietnamese background, whether they are immigrants or not. Let us not skate around things. Let us call them as they are.

Mr. Assadourian: Call them Canadians.

Mr. Ringma: All right, fine, then this group of Vietnamese Canadians. I can speak to a group of French Canadians, Dutch Canadians, Ukrainian Canadians. There is nothing wrong with identifying their background I hope because we should all be proud of where we came from.

I cannot clarify the hon. member's question on the 24,000. The phrase I used on that—I would have to go back to it—was a suspected group that are at large. This comes from a source. The public domain says this is what it probably is. If we do not have the inspectors, the people to back it up, let us increase it. Let us spend more money there where it is needed.

Mr. Vic Althouse (Mackenzie, N.D.P): Madam Speaker, I listened with great interest to the hon. member for Nanaimo—Cowichan pointing out how he and his party feel that there has to be more staffing in the immigration department. It seems that is a necessity.

I have also been listening to his party for the last year and a quarter complaining that the government must cut some $40 billion from the deficit and they keep saying it should be done almost immediately. That will mean reducing about 25 per cent of the services that the government now looks after which presumably will mean a 25 per cent cut in the personnel who have been delivering those services.

If the hon. member is going to be adding to the immigration department, what departments is he going to be proposing to do away with and where can he get rid of 25 per cent of the current crop of civil servants and still add to some departments? He will have to do away with whole departments and perhaps do away with the military to perform these new services that he is now advocating. Where can he take these kinds of cuts and still get rid of about a quarter and still add to his chosen ministry?

Mr. Ringma: The answer to that question, Madam Speaker, is very simple. We take the cuts out of the fat bureaucracy and put them into the sharp end. The Department of National Defence was mentioned as an example. It is taking 3,000 out of its headquarters in Ottawa to bolster the front lines where it needs them in support of the UN.

I say the department of immigration should do the same thing, take it out of the bureaucracy here in Ottawa and put it into the front lines where it is needed.

[*Translation*]

Mr. Osvaldo Nunez (Bourassa, BQ): Madam Speaker, if I understand correctly, my hon. colleague agrees in the case of a genuine refugee. I would like to ask him a question.

After an individual has been allowed to enter the country as a refugee and has been given refugee status, there is a fee of $500 per adult and $100 per child for permanent residency. A lot of genuine refugees are impoverished when they come here. They have no money and sometimes have to turn to churches or to agencies that help immigrants and refugees find the $500.

• (1735)

We looked into the matter and found that genuine refugees do not have to pay anything for permanent residency in the United States. What does my colleague think about this problem?

Mr. Ringma: Madam Speaker, genuine refugees need not fear. If they fit the definitions set by the United Nations, we have to accept them, we have to pay their expenses, etc. But the number of genuine refugees is undoubtedly much smaller than what the immigration department currently claims. If they truly are refugees, we accept them and give them financial assistance.

[*English*]

Mr. Sarkis Assadourian (Don Valley North, Lib.): Madam Speaker, I go back to my second question about 24,000 deportees. I would appreciate if in the near future the hon. member would look into the numbers and report to this House the exact number of criminals. He says there are 24,000. Maybe he can tell this House how many criminal deportees he is referring to.

Mr. Ringma: Madam Speaker, I would be more than pleased to try to pin down the exact numbers and report back to this House.

Mr. Sarkis Assadourian (Don Valley North, Lib.): Madam Speaker, I suppose I could start by wishing everyone a happy 1995. I wish everyone prosperity.

In this House sometimes we educate others, sometimes we get educated from discussions such as this. I welcome this opportunity to discuss Bill C–44 today in this House.

I was watching television on January 16 which happens to be Martin Luther King's birthday in the United States. In one of his speeches he said that a first class nation deserves first class citizens. This bill calls for Canada being a first class nation, which it has been called for the last two years by the United Nations. This is a first class bill for first class citizens, especially those who are new arrivals in this country. They know they are going to start a new life with their family in this new country which they have adopted.

I was following the comments of both of the opposition parties, the Bloc Quebecois and the Reform Party. Obviously the Bloc Quebecois is telling us that we are not going far enough. I know its point of view because it sits with us on the Standing Committee on Citizenship and Immigration. The Reform Party spokesman said that it does not go far enough. We are confused as to how far to go to satisfy the Bloc or how far to go to satisfy the Reform Party. That is why as good Liberals we always support the middle ground because the middle ground is where

the average Canadian's mentality rests. That is where average Canadians want us to be.

When we talk about immigration we always refer to negative things, the cup is always half empty. Let us look at the positive side of immigration.

Earlier I asked my colleague if he could give us the number for the 24,000 deportees which he mentioned. He could not give me a number. I would think the number is not more than 625. For 625 criminal refugees it is fair not to raise the figure to 24,000. It gives the impression that immigrants are all criminals, that they all have criminal records or that they intend to commit a crime when they adopt Canada as their new homeland.

This bill makes six basic points. Earlier the Reform Party spokesman said that this is a good bill but does not go far enough. As was mentioned earlier, the job of the opposition is to oppose. That is what it is paid for. We on this side are paid to put forward programs, which we are doing. The six points that were mentioned by the hon. member go far enough.

• (1740)

We should not take the approach that we are going to build a cement wall like the Berlin wall against refugees coming in, saying that anybody coming in from a certain part of the world is a criminal or intends to commit a crime in this country. That is not the way we do business in Canada. That is not the way we do business in western society.

I am sure the member agrees with me that we cannot put police officers with machine guns at every step of the way who will say: "You look different than I do, so you had better stay out because you look like a criminal to me". We cannot do that.

The hon. member from the Bloc Quebecois says that he hopes after this bill is passed that someone will challenge this bill in the courts. I hope they will because we want to do the best we can. We want to make sure that we become first class citizens in this first class country.

That is the responsibility we have and we take it very seriously. I hope they will share that responsibility with us and support the bill. If there are improvements or suggestions to be made, we should do that as we go along. The system allows that to be done. For the time being we should support this bill because it is the best we can do under the circumstances.

Before we arrived at this bill we had one year of consultations. I know the Bloc Quebecois says that consultations were not good enough because of a, b, c or d. The Reform Party says they were not good enough because x, y or z and because 29 million people did not have a chance to come forward to speak.

In my riding I organized two or three meetings to talk about immigration. People spoke up. Some said yes and some said no. Some said it was good policy and others said it was bad policy.

I sent out questionnaires and 1,100 people responded. I passed those questionnaires on to the minister. I am happy to say that most of the concerns presented to me by my constituents are addressed in this bill.

I am very happy to support this bill. I will do whatever I can to support this bill because it is important. We must have it because we have to go forward and be forward looking. We cannot be negative on everything new planned by this government.

Mr. Art Hanger (Calgary Northeast, Ref.): Madam Speaker, I have heard several times today from Liberal members about hitting the middle road when it comes to immigration, that they would like to pick the so–called balance and policy and compare the message of the Bloc with the message Reform delivers.

I do not think the hon. member across realizes that we are talking about apples and oranges when we compare messages the Bloc sends and what Reform has been saying for some time now. The Bloc already has an agreement on immigration levels and on the way it handles immigration policy which differs dramatically from the rest of the country. The levels that the Bloc has are probably more realistic than the levels set by this government for the rest of the country.

I am going to ask this hon. member what he has in his mind when he wants to tell the people of this country that they have struck a balance. I would suggest to this member that there is no balance struck by the Liberal government when it comes to immigration policy, that it is floundering. If a comparison is to be made between the Bloc and the Reform the member should abandon the comparison.

I would like to hear more comments from the member regarding the so–called balance he is talking about between the Reform and the Bloc.

Mr. Assadourian: Madam Speaker, I would be more than happy to address the hon. member's concern.

A few months ago when I put forward Bill C–229 about limiting political parties from becoming federal parties when they do not have 50 per cent of provincial representation. I noted at that time the Bloc Quebecois and the Reform Party both voted against my bill. They shared that regional concern.

The other point I want to make is that both of them have national headquarters for their parties outside of Ottawa. I want to remind them that Ottawa is the nation's capital. The way I see it you cannot be a federal party in this country and have your headquarters in some other region of the country. Members work in Ottawa so their headquarters should be here.

Concerning immigration policy levels, the *Globe and Mail* said the minister did not go far enough because he has to have 255,000 new immigrants. We have dropped to 190,000. This person complained that we dropped too much. This is a conservative newspaper that speaks often on behalf of the Reform Party.

• (1745)

It says we have to increase the number to make it 255,000. It says here that each immigrant coming in will add to the national budget a $10,000 surplus. How much more of a balance do we want?

Mr. Hanger: Go to the immigration department and find out.

Mr. Assadourian: Why do we not go together? Maybe you can apply to re–enter Canada so you will know what Canada is all about.

[*Translation*]

Mr. Osvaldo Nunez (Bourassa, BQ): Madam Speaker, on several occasions, my hon. colleague mentioned the Bloc Quebecois. I am proud to be the citizenship and immigration critic of my party.

During the past year, as a member of the House and of the standing committee, I noticed that the positions of the organizations and individuals who appeared before the committee have been closer to that of the Bloc Quebecois than to the Liberal Party's. Of course, they do not even come close to the Reform Party's position.

We found that we shared identical views on many issues regarding immigration and the plight of refugees. This is because we come from a province, the province of Quebec, which is generous with immigrants and refugees, takes care of them, welcomes them and helps them settle by providing French language instruction and assistance to find work and housing. We have our own immigration department. We are the first province in Canada to have its own immigration department and a well defined immigration policy, and to have signed agreements with the federal government, giving us self government in many areas.

We are proud of the fact that Quebec has a progressive, generous, and open policy. Quebec is the province where there are the fewest problems with immigrants and refugees. We have not seen in Quebec events such as those in Toronto. We do not see in Quebec papers the kind of over–reactions we sometimes see in the English press with respect to refugees and immigrants.

I am very proud to be from Quebec. We do not need and never will have headquarters in Ottawa. Our headquarters are in Quebec, where we are from, where we work; we are only trying to make Canadian immigration policy a little more humane. This is the contribution of the Bloc Quebecois to the House of Commons.

[*English*]

Mr. Assadourian: Madam Speaker, he cannot have it both ways. First he complains we do not listen, then he says that all the witnesses spoke very highly about the Bloc Quebecois. Which one is true? Did they speak very highly about your policy or our policy? We listen. If he does not like the decisions we make, I am sorry. He does not want to stay in Canada anyway, so what is the point? He wants to go.

Also he says he is proud that he came to Quebec. He should know if Canada was not here he would not have any Quebec anyway. He should stand up and thank Canada for allowing him to come here and also thank the people in the province of Quebec for asking him to serve Canadians in the province of Quebec in this Chamber.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Madam Speaker, I have just a couple of questions for the hon. member. First, I have a general comment. I do not know where the hon. member spent the Christmas break. I assume in his riding. If he spent his time in the riding perhaps he would realize that the world does not revolve around Ottawa, but the world actually does go on outside of this place.

The idea that a party must have its headquarters in Ottawa, must lick the boots of the special interest groups in Ottawa, must spend its time catering to Ottawa, looking after Ottawa, making its friends comfortable in Ottawa is typical, I may add, of the Liberal Party.

• (1750)

However, since they brought it up and not myself, I would like to take issue with a couple of comments that the member made that if immigrants sometimes look different they are persecuted. Obviously when that happens or if that happens then Canadians should be outraged that people are persecuted based on their looks, their race or their gender. It should not be tolerated and has no place in Canadian society.

However, the point that the member does not seem to want to admit is not that people may look different, it is that they commit serious illegal acts while they are not Canadian citizens. While they are refugees and commit serious acts what should happen to them?

I guess my question for the member is this. If someone who is claiming refugee status is charged with a serious crime should they be held in detention pending a deportation order or should they be released back into the general population?

Mr. Assadourian: Madam Speaker, I am appalled that some members take the matter so lightly. They make the accusation that 24,000 new Canadian immigrants or refugees who are waiting to be processed are criminals and that 30 people are not enough to investigate them. Now they turn around and try to defend themselves which is indefensible.

The other point that the member made earlier was that one did not have to be in Ottawa to know in which direction the government is going. He is very right. He is 100 per cent perfect. During the Christmas recess I was in my riding and I knew it far ahead of the hon. member. The reason I mentioned that they do not know what is going on in Ottawa and the rest of the country is because during the campaign in my riding on Victoria Park Avenue, the Reform Party candidate had a four by eight sign which read: "We will run the country the way we run the campaign" and they ran the campaign without Quebec, just remember that.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Madam Speaker, how apropos that I have the floor after that rather inane comment by the member opposite because of course the sign reads: "We will run Canada as we will run our campaign, which is debt free". The Liberal Party is still paying off its debts from the election because of course it cannot even run an election. The Reform Party has a tidy surplus which we will use to win a majority in the next election.

It is a pleasure to address Canada's immigration policy within the context of Bill C–44 this afternoon. I find myself a bit of the horns of a dilemma with respect to this bill. On the one hand it does represent a rather feeble attempt to toughen up the immigration system. Since Canadians want and need changes in the immigration system the bill at least recognizes that change is required. Therefore in one sense this bill is better than nothing.

Unfortunately it is not a whole lot better than nothing. It places some restrictions on the rights of refugee claimants who would abuse our system. It contains provisions allowing immigration authorities to seize fraudulent immigration documents from the mail. Any non–citizen convicted of a crime in Canada carrying a sentence over 10 years long would be deported. Although with our justice system one pretty well has to murder someone to receive a 10 year sentence. Those immigrants who are found to have been convicted of a crime in another country that would carry a sentence of more than 10 years here would be automatically barred from entering Canada.

These are welcome provisions and I generally support this tentative first step toward creating an immigration policy acceptable to Canadians. However, when we look at the government's overall priorities as they are seen in terms of its actions, not just its words, it places the bill in a different light. We will see that as a whole this bill is timid. It is weak and it is ineffective.

Edmund Burke said: "The concessions of the weak are the concessions of fear". His proverb is two centuries old but it rings true today. If there are two dominant characteristics of the Liberal government they are weakness and fear. The Liberals fear going out on a limb. They fear acting aggressively in the public interest. They fear confronting wrong in order to accomplish justice for all Canadians. Fear causes the government to act with timidity and weakness.

• (1755)

This fear drives the strength out of the government's legislation and it saps the morale of government officials, officials who are supposed to be zealous in the protection of Canadian citizens but who are today demoralized and discouraged because they are not properly supported by the government.

I am not without feelings of goodwill toward bona fide refugees. The people who testified before the standing committee dealing with the bill have expressed their reservations about the fact that it reduces the rates of refugee claimants. They are very concerned that every refugee have access to fair consideration of his or her claim and they do not want people deported into countries where they will be tortured and imprisoned because of their political views and other obvious injustices.

I appreciate the sensitivities of groups like Amnesty International and the Mennonite Central Committee came to testify. The fact that we have tender consciences in how we treat refugees reflects well on our nation. This is a wonderful thing, a thing to be thankful for in Canada. I stand with them in their desire for fairness in their hope that Canada will remain an international sanctuary for people who are truly oppressed.

However there is a question of balance today, a question of the genuine concerns of the Canadian people balanced against the convenience of some of the phoney refugees who use our system as a cloak to hide their criminal intentions.

Today Canadians are the ones being oppressed by some so–called refugees. The balance must be swung in favour of protection of our own citizens. It appears to me that the presumption of innocence in Canadian law has come to mean the determination of innocence without investigation.

It has become the practice of our immigration system to assume that all refugees are nice people, that all refugees are good for society. They ignore the fact that some of them have long criminal records. The government appears to ignore the outrageous crimes some of them commit on our soil.

One of those crimes was the senseless murder of Todd Baylis, a constable in Toronto who was gunned down last year. An immigrant who had been ordered deported in 1991 stands accused of the crime. The department simply failed to deport him earlier, which I am sure provides little comfort to the Baylis family. Would the people at Amnesty International agree that this person should have been deported four years ago? I think they would.

I will cite one more outrageous case. There are many more. A Vietnamese man is serving an eight–year sentence in Kingston for murder. He stabbed a man to death in a Toronto bar in 1991. His case was heard while he was in prison in Kingston serving his sentence and all his legal fees were paid by the Canadian taxpayers.

That man was granted refugee status. In a few more years he will be free and soon he will be a Canadian citizen. I doubt that the Mennonite Central Committee would approve of this situation.

Our system is becoming unbalanced. The focus of this imbalance is the Immigration Refugee Board, a quasi–judicial body set up to hear the cases of refugee claimants and hear appeals of deportation orders.

A few weeks ago the Reform Party critic for immigration advanced a discussion paper that said that the IRB is out of touch and is virtually untouchable. The IRB is ridiculously lax. In some regions of Canada, the IRB accepts more than 90 per cent of the claimants that come before it.

In making a determination about a refugee claim, IRB officials are not even allowed to use an adversarial approach as in a regular judicial hearing. They take the burden of proof on themselves to disprove a refugees claim and even take pains to avoid using a tone of voice that would suggest that the onus of providing proof of legitimacy rests with the claimant and not the board.

Officers of the IRB are discouraged from checking into the personal history of a suspicious claimant or even cross checking to verify their stories. It is incredible.

As I stated earlier, this is a question of balance. Where the safety of Canadians is at stake, any error should be on the side of caution, not caution in favour of the refugee claimant who is already known to be a dangerous criminal but the balance must lean in favour of the victims, the Canadian people.

Bill C–44 intends to change the appeal process for refugees convicted of serious crimes. It will take away the right of appeal on humanitarian grounds from the Immigration Refugee Board and give it to departmental officials. Why is the minister doing this? This action really amounts to an accusation against the IRB. The bill in fact shows that the IRB cannot protect the public.

• (1800)

The Liberals act in weakness and respond in frailty. First they appoint their friends, friends who are usually non–objective refugee advocates, to the board. Then they allow their ridiculous decisions to stand. When the public outcry becomes so great that someone must do something, the Liberals grudgingly take action. They certainly do not want to disturb their leftist friends at the IRB. No, the Liberals will just give their work to the department.

The government refuses to attack the problem at its roots. The problem lies in the decisions of the Immigration and Refugee Board. Rather than taking the board in hand and taking it to task, the Liberals take the easy way out and pass legislation that changes the board's authority.

The bill is a vote of non–confidence in the IRB. It is an admission that there is rot in the system and the rot should not be ignored. It should be cut out. Bill C–44 will not be able to patch up this problem; it will only fester and grow worse.

We would know exactly what to do with the Immigration and Refugee Board. Reformers would dismantle it and replace it with immigration department officials who have a mandate to protect Canadian citizens. These competent public servants would be able to do a much better job of determining refugee claims at much less expense than 235 left wing political hacks making $85,000 a year.

In short, we would toughen up our system to protect Canadians born in Canada as well as Canadians who have been welcomed as immigrants to our land. Canadians born in Canada and newer immigrants who are Canadians by choice realize that some refugees come to Canada not to escape persecution but to escape prosecution.

In Vancouver near my own riding there was a recent headline in the Vancouver *Sun* quoting the Vancouver chief of police saying that one of the greatest problems facing the police in that city were despicable Asian gangs that extort money through violence and intimidation from other innocent recent Asian immigrants. These gang members act with virtual impunity because of loose laws and a silly bleeding heart Liberal government lacking both the will and the courage to protect innocent people.

That brings me to another issue. Immigrants call my office and tell me they are ashamed and disgusted by the illegal actions of a few and because of the government's inaction in this regard every immigrant is tarred with the dirty brush of the criminal. That is not fair to the vast majority of immigrants and refugees in the country. The government is undermining its own policy by allowing criminals to roam free. It is not fair.

Allow me to suggest a recommendation of the Canadian Police Association that we would do well to think about. At present we have two parallel systems of justice in Canada: one for refugees and one for everyone else through the criminal courts. The police association says we should allow criminal courts to determine whether or not refugees are criminals and then to decide if they should be deported, so that there is one system for everyone in Canada: the equality of treatment idea.

This would take the burden away from the department and the minister and give it to judges who work daily with criminal law.

However the Liberal government will no doubt leave its friends in the Immigration and Refugee Board undisturbed.

Bill C–44 is like sewing a new patch of cloth on a ragged old pair of jeans. When we wash them the new patch shrinks and tears away, and in the end the hole is bigger than it was to begin with. The bill will do nothing more than tear new holes in the fabric of our old flawed immigration system.

Why? Because it mandates more work and more powers for officers without providing the resources to get the job done. The bill barks but it has no bite. It is nothing more than window dressing. It is good theatre with a parade of fine characters, but when the curtain comes down and we go back to real life nothing will get done, nothing will change.

Canada does not need more patchwork legislation. It needs a completely new wardrobe. Nothing less than a complete refit of our immigration system will do the job, and I might add that Canada will probably also need a new tailor to finish the job. Decades of Liberal neglect have whittled protection to the bone.

• (1805)

You may not be aware, Madam Speaker, of an amazing fact. These figures are give or take a thousand so I will not argue with the figures in totality. There are currently 24,000 outstanding deportation orders in the city of Toronto. How many enforcement officers are there to deal with this problem? There are 35 officers to locate and deport 24,000 people. This is just one indication of the priority the Liberals place on the protection of ordinary Canadians.

Even when the immigration department just trying to do its job issues deportation orders to these people, the Liberal government does not have the will to remove them. Canada's refugee determination system is in a shambles. It is worse than shameful. The electorate will one day act as police, judge and jury because of it. The people will try the Liberals, convict them and stick them in the political slammer for a generation.

The minister with great fanfare set up a task force last July to crack down on illegal immigrants.

An hon. member: Rhetoric.

Mr. Strahl: Oh, no. He means it. This so–called task force is made up of twenty RCMP officers, four assigned to Montreal, four to Vancouver and only twelve to metro Toronto where there are 24,000 outstanding deportation orders. Immigration officers are so overwhelmed by the sheer numbers that they are unable to execute a removal order unless the individual voluntarily turns up. What a mockery of our system.

When the task force was struck the words of the sergeant in charge were pitiful. He said right away to the press that he was not going to go knocking on doors and arresting people. What was he supposed to be doing then? This is symbolic of the government's attitude toward 24,000 illegal acts gone unchecked, 24,000 people flouting Canadian law and laughing behind the backs of a lax justice and immigration system.

Listen to what the Canadian Police Association said just before Christmas during the committee hearings on the bill. I quote:

> How anyone in this world when you have a police service of 16,000 members—that's the RCMP—could call 20 persons spread in the three major cities across Canada a task force is really inconceivable to me. That phrase is seriously abused—I'm not trying to be facetious, but (C–44) reminds me somewhat of putting a band aid on the Hindenburg.

Ms. Clancy: I think I have heard this line before.

Mr. Strahl: The Canadian Police Association said that band aid solutions would not work any more. Our system is hemorrhaging and nothing less than radical surgery will restore it to health.

There is the question of balance and there is the issue of protection. I want to address one final issue upon which this entire discussion turns. That is the issue of priority. The Department of Citizenship and Immigration and all the costs associated with settlements and so on approach $3 billion each year. It costs $1 billion alone to process refugees. They teach English, settle immigrants and do a host of other good things. They also enforce the provisions of the Immigration Act.

However the priority placed on enforcement is the real barometer of the government's real concern for these law and order issues. The government can talk all it wants about protection, but all this is just talk unless the government puts its money where its mouth is. Only $50 million each year is spent on enforcing the act, and that is compared to total expenditures of $3 billion.

If my math is correct—and I think it is because I checked it on this side of the House and not with the finance minister—that amounts to 1.6 per cent of total expenditures. Less than 2 per cent of the money we spend on immigration is spent on protection and for that matter protecting recent immigrants as well. How much is spent on salaries alone at the Immigration and Refugee Board? I am sure you could guess, Madam Speaker. In salaries alone the IRB costs the Canadian taxpayers $58 million each year. It is an outrageous abuse of taxpayers' money and an indication that the government places less priority on protecting innocent Canadians than on pleasing its fat political friends at the Immigration and Refugee Board.

• (1810)

Reformers do not suggest that the government spend more money on immigration. Far from it. Reducing immigration flows as we have suggested would reduce expenditures and free up some of the taxpayers' funds to be placed where the priority should be, on the protection of Canadians. Changing the priority

from an Ottawa based bureaucracy to a front line bureaucracy would save additional millions.

While the government announced a reduction in immigration rates last year, as a York University professor argued today in the *Globe and Mail*: "Mr. Marchi imposed only a symbolic reduction. He has buckled to the pressure of ethnic lobbies".

Bill C–44 is just talk and it will remain empty talk until the government gets busy and makes real and not just symbolic changes to the immigration system.

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration, Lib.): Madam Speaker, I am overwhelmed at the extremely low level of knowledge with regard to the entire working of the immigration department shown by my charming and well meaning colleague across the way.

I would like to ask an absolute plethora of questions.

Mr. White (Fraser Valley West): Have you ever been at a hearing?

Ms. Clancy: Many times I have been before the refugee board. I have appeared before it many times. Heaven knows I never thought I would find myself in the position—

Mr. White (Fraser Valley West): What is the question?

Ms. Clancy: This time is for questions or comments. I can do either, and this is a comment.

I never ever believed that I would be in the position of defending Edmund Burke. It is a very difficult position for a Liberal to be in, to be defending Edmund Burke. I can only say that I studied Edmund Burke. Through his works I knew Edmund Burke. I would almost say in the sense one can be a friend of a literary person who lived 200 years before one that Edmund Burke was a friend of mine. To the hon. member for Fraser Valley East, through you, Madam Speaker, he is no Edmund Burke.

At any rate, the number of 24,000 deportees has been batted around ad nauseam in the House. I just wonder if the hon. member across the way has a scintilla of an idea as to how many of those 24,000 have criminal records. The answer is very few, but I am sure the hon. member does not wish to be distracted by fact.

May I also say that one should be careful in the realm of comment, with the greatest of respect to members on the other side, when talking about people who have not yet been tried in our criminal justice system, about guilt or innocence. The word alleged is a good word to throw around here. I am sure my colleague, the hon. member for Rosedale, who is on leave from the faculty of the University of Toronto Law School, would be happy to agree with me on that score. It is extremely unwise as legislators to throw around words about guilt or innocence before someone has been tried. If that were the case this legislature would not need to exist.

My colleague from Fraser Valley East said that he does not want us to spend any more money. That is admirable. As I understand it that is the Reform theory. Yet he thinks that we should be hiring all kinds of people to rush out and find these 24,000 people. Yes, they are under deportation. Yes, they should be out of the country. But, again, the vast majority of them are not criminals.

Does the hon. member understand how small a number of immigrants and refugees actually has criminal records, particularly when compared with born Canadians who have criminal records? Does the hon. member know the difference between immigrants and refugees? He tosses the two words around as if they were interchangeable. As my hon. colleague from Bourassa would agree with me, they are not the same. They are quite different.

I am glad my whip is here. He may have to bring me water because I may faint from the criminal level of lack of knowledge that has been evidenced here by people standing and declaiming about things they know absolutely nothing about.

• (1815)

Mr. White (Fraser Valley West): Rhetoric is what you got.

Ms. Clancy: Can you spell it? Probably not.

At any rate I want to say that if the hon. member can answer these questions, I would like to hear an answer instead of the nonsense that has been put forth about immigrants and refugees in this country from this member.

Mr. Strahl: Madam Speaker, it was interesting after the verbal tirade and pontifications of the hon. member that she went on at some length to talk about the need for a proper trial and so on that she says that I have a criminal lack of knowledge. I guess she has tried and convicted me already. Maybe there is no point in answering.

When it comes to the exact number of people of the 24,000 that I mentioned earlier who have criminal records, I would not know. Say there is 10 per cent, say there are 2,500 cases serious enough for deportation. Certainly in one city the size of Toronto I would be alarmed at 2,500 people having criminal records causing them to be deported. That is cause for serious concern. The rest of course are also ordered to be deported and according to the government's own figures and facts no fewer need to be deported. It says that it is the one that has given the deportation orders. It is just that it does not carry them out.

There is a sad part about this. There was a case a little while ago. Someone wanted to bring in a 14–year old girl from Fiji on a student visa and this is the gong show they had to go through.

They have to get the student visa which is the last step in the whole process. However that is what they are trying to get.

These people put forward a net worth statement and had to prove they had an ongoing job, that they could support this student while here. They did that.

Next they had to give a floor plan of their house showing they had a room for this girl when she got here. That was kind of insulting but they got the floor plan for their house and faxed it off to try to arrange for this student visa.

Then they had to arrange for legal guardianship so that they could say they would be her legal guardian while she was in Canada on this student visa. They arranged for that.

Next they would have to get permission from the school board. They arranged for written permission from the school board for the girl to attend.

Then they received a fax saying that was not enough. They now have to have a transcript of the court decision that gave them legal guardianship. It was not enough that they had the paper. They now had to jump through another hoop and show the transcript.

All this is safe. This is what someone is trying to do to legally bring someone in on a student visa.

Ms. Clancy: What is wrong with that?

Mr. Strahl: There is nothing wrong with that. What is wrong with that is these people are Canadians by choice. They are relatively recent immigrants. All of their friends ask them: "Why do you bother? That is the legal way to do it. Why bother? Nobody does that when they want to get someone over. You just go through the refugee system and bring them in".

This girl should be here. I put a letter of endorsement on this girl's application. They reason she cannot come to Canada to get four years of senior secondary education is that the system is so screwed up that it is better to come through a bogus refugee system than it is through the legal means. That is what is wrong with this system.

Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.): Madam Speaker, it certainly is my pleasure to continue this debate in the House today regarding Bill C–44, an act to amend the Immigration and Citizenship Act.

Amendments have taken place in part because of public opinion, because of a need to address some abuses of our immigration system by criminals. Although the incidence of abuse is minimal, this bill will reduce the possibility for abuse.

• (1820)

I would like to spend some time on that process and on the statement I made regarding the use of public opinion. In this House public opinion emerges, is debated and is transformed into rules and regulations governing the behaviour and actions of the people, institutions, companies and so forth in this country. It is a very time consuming and costly process in a democratic society. If it were a dictatorial society decisions could be made instantaneously depending upon the whims and fancies of the dictator.

So far all the rhetoric we have received from the Reform Party clearly indicates they have the absolute solutions to all the major problems that exist in the field of immigrants and refugees. It is a very strong and dictatorial approach to problem solving.

Today the member for Calgary Northeast made two statements that all those who are in this House and those who made deliberations in the past have laughed in the faces of Canadians. He clearly indicated that Canada is an international laughing stock. The deliberations in this House of Commons both past and present at no time have deserved that type of abuse from the member for Calgary Northeast.

I feel very strongly that the member should apologize not only to all the present members of the House of Commons but also to those of the past hundred years who devoted their time and energy to solving the problems in our society. Above all he should openly apologize to the people in the riding he represents because the House of Commons is not laughing in their faces. They are not laughing in the faces of all Canadians. They are demanding an apology from the member for the type of ridicule imposed upon members of Parliament who represented his riding in years gone by and who devoted their time and energy to make this a much better country. That is the kind of dedication we would like to see in this Chamber. That is what a member of Parliament of honour and nobility would portray in this House as he tries to enhance the lives of all Canadians.

Yes, we do have problems in this country, but we will continue to search in a very positive and sincere manner for solutions to these problems. Problems emerge as people provide us with their opinions. Through studies and the multitude of strategies that we use in our communities the information flows and we have to make a list of priorities and deal with them using the resources we have, whether they be human or financial. The time factor is very important here in what should be dealt with immediately and what should be dealt with in the future. Long range and short range planning are critical as far as the deliberations of the members of the House of Commons are concerned.

One problem we have that has been mentioned by members across is the problem of selection, the problem of screening prior to a refugee or an immigrant being accepted into this country. What actually takes place beyond the shores of this country when an individual puts in a claim to be accepted as a refugee or an immigrant?

Contrary to what has already been presented by members of the Reform Party, for the viewing public as well as for members of the House of Commons I would like to clearly stipulate the process all potential immigrants and refugees must go through.

• (1825)

All immigrants to Canada are screened in depth by officers for security and criminal concerns. Visitors are checked against Canadian indices and followed up if there are previous adverse records. Visitor applicants from high risk countries which may pose security or criminal concerns are subject to additional screening in Ottawa. There is a mandatory delay before which a visa may be issued.

Contrary to what has already been presented by the Reform Party I would like to point out to all listeners that immigrant applicants abroad are requested for criminal purposes to produce a police clearance where such is available and reliable. In certain cases a secondary verification of this document takes place. The RCMP also provides support in verifying criminal record information in related matters.

Another point is these officers in selected countries abroad also receive and gather information on selected individuals who are suspected of war crimes or crimes against humanity. This information is used to prevent admission of such undesirables.

I have just given a portion of the strategies used in order to glean and to screen the applicants who wish to come to this country.

Most of the people who came to this country in the past and are here now are very good Canadians. They have chosen very wisely. They have chosen to come to the best country in the world. The vast majority of them turn out to be the very best citizens we have. They are extremely hard workers, dedicated and conscientious, constantly supporting the family unit, constantly honouring and abiding by those values that Canadians in general adhere to and support. They are not an army of criminals. They are not an army of potential thieves. They are not an army of potential deceivers.

We have to be very careful how we address this problem and how we accept the data that is being presented by those opponents to the immigration acts, not only on Bill C–44 which is being presented, but on all those acts that have been presented and passed in this House of Commons in generations gone by.

In support of what I have been saying, I would like to quote from the Toronto *Star* of November 6, 1994 where in a flippant manner an individual from the Reform Party has misquoted and used numbers and figures to serve a certain purpose. The purpose is suspect, the purpose is questionable. It states: "Reform MP Jim Silye has insisted that RCMP documents prove a total of 1,935 people were accepted as refugees without any prior screening. Only later did police discover they had criminal records".

However all indications from the RCMP, the documentation from immigration officials are that the statement is 100 per cent totally inaccurate. However it could have an impact in tainting the perceptions and tainting the opinions and attitudes of the people who had first heard it.

What we did find out is that the number was used when that number of people were being processed and had been fingerprinted. We have to be very careful how we use figures that appear in the documents and in public.

In my riding individuals approached me and were very concerned about the criminal element. The criminal element has been receiving a tremendous amount of attention in the media in the past few months. Every time a society, no matter whether it be Canadian or any other society in the world, goes through some negative process, a decline in productivity, in employment and so forth, in other words there is a recession or a depression, we will find without fail that immigration policies will be constantly attacked.

• (1830)

Every time it happened in our society there was a scapegoat that took a tremendous amount of abuse and a great deal of unhappiness was generated in certain communities because people did not take the time to understand and be compassionate. They listened to the kind of rhetoric that we are getting from the Reform Party that does nothing but incite fear in the minds of individuals wondering what is going on and what the Canadian government is doing and so forth. They are frightened. They are afraid for their jobs and so forth.

I could go on a great deal continuing with this debate but unfortunately time is running out.

The Acting Speaker (Mrs. Maheu): The hon. member has 10 minutes left on his time when we resume debate on Bill C–44.

ADJOURNMENT PROCEEDINGS

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

SOCIAL PROGRAM REFORM

Mrs. Christiane Gagnon (Québec, BQ): Madam Speaker, I asked for an opportunity to comment on and criticize the answer given by the Minister of Human Resources Development in response to my question on December 6, 1994. I asked the minister how he could claim that his reform was supported by 96 per cent of the population.

This is called putting a spin on the figures. It is a very good example of the old saying that you can make figures and statistics say anything at all. The minister has turned this into a fine art. I carefully examined the results of the poll the minister used to support his statement, and I was very surprised when I found that the poll's originator, the Angus Reid group, reached conclusions that were sometimes the exact opposite of what the minister said.

Before I give you some examples, I would like to make it clear that in the interests of authenticity, I will quote the results of the poll as written. This way, people can hardly accuse me of the kind of behaviour I did not appreciate in the minister.

As my first example, I will quote question 4 which reads as follows: The federal government is proposing measures to reform social programs in Canada. Do you think it is a good or a bad idea?" On December 5, the minister claimed that "96 per cent of Canadians believe major changes have to be made in"—and here is the difference—"social policy".

I take this opportunity to remind you that the minister then accused me of misunderstanding. According to the minister's statement, we could expect 96 per cent of the people to answer yes to question 4. Surprise, surprise. Only 70 per cent of respondents thought it was a good idea. People thought social reform was a good idea but a comprehensive reform is a different story.

Can someone tell me where the missing 26 per cent are hiding? Not among the 13 per cent who are undecided or the 17 per cent who are opposed. I might add that the question to which 70 per cent replied yes referred to a reform and not a comprehensive reform, as the minister claimed.

Another flagrant example of inconsistency with the facts concerns Quebec's support for the federal initiative. The minister said that "when the survey is broken down by region, as many people in Quebec support the social reform proposals of the government as in the rest of Canada". This statement differs substantially from the authors' findings. Let me quote them on two issues. On page 7, they say that Ontario respondents were the most likely to say that programs should be completely revamped (64 per cent), while Quebec respondents were the least likely to give the same answer (44 per cent).

• (1835)

, I note a 20 per cent difference between the two provinces. Is that what the minister calls equality?

My second quote is the following. On page 11, we read, concerning the proposed scheme for seasonal workers, that respondents from Quebec are much less favourable to these options; for example, 39 per cent of Quebec respondents agree with the amount of benefits paid being reduced beyond a certain number of applications, as opposed to an overall average support of 52 per cent, a 13 per cent difference.

One last comment. It is not by overstating the importance of an alleged popular support that we will convince the people of the merits of these proposals. It would be much wiser to stick to reality and, this way, preserve our credibility. This comment is valid today and it will still be when the reform proposal is back on the agenda, as we now know that political considerations have prevailed over the need for reform.

[*English*]

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Madam Speaker, this government has consulted extensively with Canadians in an unprecedented number of ways on whether and how Canada's social safety net should be improved.

These consultations as well as a number of independent polls show a clear consensus across all regions on the need for reform. Canadians want change and they want it now. In one poll 96 per cent of Canadians believe that some change must be made to social programs. In another poll after being questioned on all key proposals almost two–thirds of Canadians felt the government is moving in the right direction.

Support for the directions of reform has increased to 50 per cent in Quebec and has also increased in Atlantic Canada. During our consultations with Canadians over 600 organizations, including women's organizations, appeared before the committee. Over 100,000 Canadians participated in other consultations including town hall meetings, seminars and completing workbooks. Women's groups held a separate consultation process, as did aboriginal groups. We welcomed their contributions to the debate.

With respect to the hon. member's concerns regarding proposals to modify the unemployment insurance program, it should be pointed out that while income testing is one option being considered, 70 per cent of women who claim UI are not frequent UI claimants and would therefore not be affected by this proposal.

It should also be noted this government has taken concrete measures to address the concerns of female UI recipients. Recent changes to the UI program through Bill C–17 included a new 60 per cent dependency benefit rate for low income earners. To date nearly 78 per cent of claimants under this rate are women.

[*Translation*]

INTERNATIONAL TRADE

Mr. Jean–Guy Chrétien (Frontenac, BQ): Madam Speaker, on December 15, I asked the Minister of Agriculture and Agri–Food to tell us why the Canadian government let the United States unilaterally change the classification of products with a high sugar content. I should point out that, because of that decision, Quebec and Canada stand to lose 2,400 jobs.

The minister replied that Canada was opposed to the position taken by the United States and had made representations to the U.S. department of agriculture.

For those who work in the sugar industry and who are trying to keep their job, these platitudes mean absolutely nothing. Since these changes occurred before the signing of GATT, the federal government should have taken action then. It should not have waited until it was too late and then use its commitments to GATT as an excuse.

The minister also told us at the time that the Minister for International Trade was in touch with his U.S. counterpart to make the Canadian position abundantly clear, which was very reassuring at the time. It is nice to talk, but it is even better to act.

Along with such evasive answers, the minister also promised that the best interests of Canadians and Quebecers would be protected swiftly and efficiently.

It would appear that the lion has shrunken to a pussycat when confronted by the American giant, since it seems that the restrictive measures taken by the Americans have been in place since January 1.

• (1840)

It is increasingly clear that Canada is the lightweight in these bilateral negotiations. The sugar issue will follow the red wheat and durum wheat issues on the list of good examples of the federal government's spinelessness.

The federal government accuses us left and right of criticizing without making any suggestions. When I raised this issue last December, I strongly suggested that the minister submit the issue to the GATT panel. At that time, he replied that the Government of Canada would take all of the steps necessary to protect Canada and Quebec from measures taken by the Americans of which he disapproved. Since the government who is supposed to be protecting us is scared of its own shadow, we Quebecers have to defend ourselves, and there is not much time.

Worse yet, we learned today in a Canadian Press report that the United States intends to challenge Canadian tariffs on dairy product, egg and poultry imports.

Since we have lost the fight with regard to durum wheat, sugar, ice cream and yogurt, I fear for our producers and our processors. In one corner, the Minister of International Trade, a cocky little scrapper, and in the other corner, the American trade representative, Mickey Kantor, who knocks out our minister, our defender, our leader in the fight for our economic rights.

The sugar industry has already lost 2,400 jobs and will lose several thousand more. That is exactly what the Liberals wrote in the red book: jobs, jobs, jobs. They were right in the sense that—

The Acting Speaker (Mrs. Maheu): I am sorry but your time has expired.

[*English*]

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food, Lib.): Madam Speaker, it is a pleasure to respond to the hon. member's comments tonight.

I want to point out to the hon. member that the minister of agriculture and the Minister for International Trade have had numerous discussions with their U.S. counterparts during the Uruguay round of GATT and after that in order to try to resolve the issue of Canadian access to the U.S. market for sugar and sugar containing products.

During those discussions the Canadian approach to the issue that remained outstanding was to seek a solution which would, at the very least, preserve existing levels of trade in sugar and sugar containing products. The minister made his concerns very clear when in December he said we regret that the U.S. has rejected this approach and implemented draconian measures.

The minister of agriculture clearly expressed our government's disappointment with the U.S. and continued to seek a delay in the implementation of the U.S. measures against Canadian exports. He went on to say that the U.S. decision is one that has been and he could see would be inequitable and shortsighted on their part.

The U.S. has proceeded with the reclassification of certain sugar containing products so as to make the access of those products to the U.S. more difficult or impossible. The effects of these changes has been to reduce Canadian access to the U.S. for sugar containing products and the market there for us.

Officials are continuing to work with the industry and industry officials to develop a reliable estimate of the impact. We certainly have seen a worst case scenario and that has been quantified. However, these are not based on fact but mainly on hypothesis.

As to the government's reaction, the minister will continue to consult with the industry and the provinces as to possible action, look at reviewing legal options and of course our preferred approach is a negotiated solution because we consider the best way to resolve these issues is to deal with each one on its own merits without trading off the different sectors against each other.

The Acting Speaker (Mrs. Maheu): Pursuant to Standing Order 38(5), a motion to adjourn the House is now deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.45 p.m.)

HOUSE OF COMMONS

Tuesday, February 7, 1995

The House met at 10 a.m.

Prayers

[*English*]

PRIVILEGE

SIR JOHN A. MACDONALD

The Speaker: My colleagues, I wish to comment on the matter brought to the attention of the House by the hon. member for Kingston and the Islands on December 7 and 8, 1994.

The hon. member explained that a serious omission had been found in a publication entitled "The Prime Ministers of Canada, 1867 to 1994", a document prepared jointly by the House of Commons and the National Archives. Subsequently, other errors and inconsistencies were discovered and communicated to me.

The hon. member for Kingston and the Islands was justifiably upset by the omission of references to Kingston and the entry for Sir John A. Macdonald and was absolutely correct when he pointed out that all Canadians associate our first Prime Minister with the limestone city, and in case some of you did not know that is Kingston.

All members and their constituents recognize the importance a member's riding and its history play in a member's political identification. Some of the errors and omissions in this publication concerning members' constituencies may be the result of editorial decisions designed to simplify the rather complex evolution of our political and electoral systems.

[*Translation*]

For example, at times in our history, certain constituencies have returned two members of Parliament in an election, or a member appointed to the ministry would have to resign his seat and seek re–election as a minister. Members were permitted to be candidates in, and be elected in more than one riding at a time, although these members ultimately would have to choose which riding to represent.

Regrettably, other difficulties with this publication seem to have been the result of an apparent misunderstanding between the House and the National Archives when the publication was edited.

[*English*]

An erratum has been prepared for the first edition and will be attached to all remaining copies of the book. A revised second edition is currently under production by the National Archives and members will receive their copies when it is available.

I believe that these measures will rectify the situation and I thank the hon. member for Kingston and the Islands for bringing this matter to the attention of the House.

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 19 petitions.

* * *

[*Translation*]

COMMITTEES OF THE HOUSE

CANADIAN FOREIGN POLICY

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, I am pleased to table the government's response to the recommendations of the special joint committee reviewing Canadian foreign policy.

Mr. Speaker, the first paper, which is the government's response, will be followed by the policy statement that the government intends to table in this House.

• (1005)

[*English*]

CANADIAN FOREIGN POLICY

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, I have the honour of rising in the House today to table the government response to the report of the special joint committee reviewing Canadian foreign policy.

My duty as foreign affairs minister has given me many opportunities to observe the role that our country plays in the world. It has been said in some quarters that our privileged position on the world stage would be called into question by the end of the cold war.

On the contrary, I am proud to note that our country continues to play an important role and that the international community's expectations of us have not diminished. Canada occupies a position of leadership among the open advanced countries which are becoming increasingly influential as world power is dispersing and becoming more defined in economic terms.

Canada' geographic location gives it an important advantage as new poles of political and economic powers emerge in the Pacific and Latin America. Canada's cultural heritage gives it privileged access to the anglophone and francophone worlds as well as to the homelands of Canadians drawn from every part of the globe who make up its multicultural personality.

Canada can further its global interests better than any other country through its active membership in key international groupings, for example hosting the G–7 summit this year and the Asia–Pacific economic co–operation forum summit in 1997.

Canada's history as a non–colonizing power, champion of constructive multilateralism and effective international mediator underpins an important and distinctive role among nations as they seek to build a new and better order.

[*Translation*]

Canada, thus, is in a privileged position to influence change and to benefit from opportunities as we move toward the end of the 20th century. The government will exercise that influence responsibly to protect and promote Canada's values and interests in the world.

The committee faced an enormous task, and I congratulate all of its members, in particular the two co–chairmen, Senator MacEachen and Senator Gauthier, who was then a member of this House and co–chair of this committee.

I think that the government's response had to reflect the depth and quality of the work done by all committee members from both sides of the House.

The government has kept the promise contained in the red book. It has made the development of Canadian foreign policy a democratic process by seeking the participation of Canadians and their members of Parliament. Both the joint committee and the government recognize that changes on the international scene will speed up rather than slow down. Unfortunately, the financial constraints that we face are not likely to go away in a hurry.

A responsible government must thus constantly re–evaluate its strategies openly and clearly, to reflect the interests and concerns of Canadian men and women more effectively.

• (1010)

Canadians are increasingly aware that their actions, both individual and collective, have international consequences. The once–clear distinction between national and international affairs is quickly becoming blurred, forcing us to take a broader view of things. The number of stakeholders in foreign policy continues to grow.

In short, international relations are no longer the concern of governments alone, but of all Canadian men and women who work in non–governmental organizations and play a very important role in representing one aspect of our foreign policy.

The government is committed to continuing consultation and to giving members of Parliament and NGO officials a vital role in developing our foreign policy. Thus, in March 1994, the government invited Canadians from various walks of life to take part in the first national forum on Canada's international relations.

I wish to confirm today that we intend to make this forum an annual event. Since our term of office began, we have held five parliamentary debates on key foreign policy issues. I can assure you that Canadian foreign policy will no longer be developed behind closed doors; all Canadians and especially all members of Parliament will be involved.

With my colleagues, the two Secretaries of State and the Minister for International Trade, I held a series of consultations and round tables across Canada. I can tell you that we will continue these consultations throughout our term of office.

Based on these consultations and the report of the joint committee, and recognizing the need for a flexible and effective foreign policy, the government has identified three key objectives that will guide its activities on the international scene in the years to come.

These objectives are: first, to promote jobs and prosperity; second, to promote our security in a stable international framework; and third, to share our values and our culture. These objectives complement one another and reflect the government's national priorities.

With regard to our first objective, I would like to begin by saying that the government is committed to implementing a foreign policy that promotes access of Canadian goods and services to foreign markets. The objective could not be clearer: to defend and increase Canada's prosperity, and to promote jobs and growth by diversifying our economic and trade relations.

The Government recognizes the growing importance of the major international financial institutions and firmly intends to discuss this with its foreign parthers during the G–7 Summit in Halifax in June. I shall leave the task of providing a more detailed explanation of our objectives in this area to my colleague, the Minister for International Trade.

I shall now discuss the second objective, an equally important aspect or our foreign policy: promoting our security in a stable international framework. The hostile environment of the Cold War kept us from concentrating our efforts on combatting other threats no less real.

While the geopolitical upheavals of recent years have greatly reduced the immediate threats to our security, we must now, paradoxically, expand our definition of this concept.

• (1015)

Today, security is no longer defined in terms of ideologies or boundaries. Environmental deterioration, massive, uncontrolled migrations, international crime, drug trafficking, AIDS, overpopulation and underdevelopment are the names of today's threats. Our security requires a deeper awareness of these new threats. The threat of war and armed conflicts may have diminished, but the modern world is just as threatened by the new problems that face people in every part of the world.

It is therefore essential that we, Canadians, in seeking to protect ourselves, do our best to help resolve these problems, in the interest not only of the security of those who are facing them, but also of our own. I think that we can say, and everybody will agree, that Canadians are proud of their country's unique contribution to UN peacekeeping operation. Canada will continue to participate in these missions.

But our decisions will be subject to specific criteria, as the committee recommended. As the UN and the regional security organizations have served us well, Canada will continue to serve them well. But to serve well also means identifying the structural problems, weaknesses and shortcomings of these organisations, and working relentlessly toward correcting them.

As I announced last September, Canada is working diligently toward improving the efficiency of the United Nations. With this in mind, we are preparing, among other things, a study on the rapid reaction capability of the UN, which we will table in September at the next General Assembly in New York.

The third objective of our foreign policy is to promote our values and our culture abroad. A country that isolates itself and fails to project its identity and values beyond its boundaries is doomed to anonymity and loss of influence. Our writers, artists, academics and researchers are the best ambassadors of our identity in all its diversity. They convey the creativity and knowledge essential to the prosperity, development and health of our country.

I can assure you that the restructuring and staff redeployment within the department will emphasize this third major aspect of our foreign policy. Like our entrepreneurs, those involved in the cultural and educational sectors have a product to sell. Like our exporters, they have a market to conquer. And like our business people, they are known for the excellence of their product. For them too, internationalization is essential to success and competitiveness.

The influence of the cultural and educational sectors on our economy is profound, as we can see. These sectors hold a good deal of potential for Canada, a potential that we must use wisely. The Government is committed to defending the competitiveness of our cultural industries and of the educational products and services of our universities and colleges, and to helping our artists penetrate foreign markets. To say that we have limited resources is no excuse for abdicating our responsibilities.

• (1020)

On the contrary, it is an opportunity to consolidate our efforts and work with the departments and agencies concerned, and also with the provinces, to promote our culture and knowledge abroad.

Vitality in our cultural, academic and scientific interchange is essential to our success in the new knowledge based world economy. It is also essential to our growth, prosperity and success nationally.

In order to remain competitive, our institutions of higher learning, our students, our future workers need to adapt to a profoundly and constantly changing international labour market, to expose themselves to the new technologies, and to master new knowledge.

Canadians know that our problems are insignificant compared to the intolerable situation in which too many of the world's people still live. Official development aid is another important and integral part of our foreign policy, for it strikes at the very roots of conflict and of threats to security. Aid reflects the values of Canadians, values of compassion, co–operation and generosity.

In the statement we are tabling today, the government firmly intends to clarify the mandate of the Canadian International Development Agency, in order to give it a solid objective and clear priorities that will dictate the action it takes.

These priorities are six in number: first, to address basic human needs; second, to support the participation of women in sustainable economic development; third, to develop in these countries the infrastructure services essential to a sound economic upswing; fourth, to defend human rights; fifth, to encourage the private sector in these countries, which need to prosper and take their place on the leading edge of the global evolution; and finally, a responsibility from which no one is exempt and which is fundamental to our collective future, and that is to protect our environment.

It is clear that these objectives support the three main principles of foreign policy that I have just announced: first, the promotion of prosperity; second, the promotion of security; and finally, the promotion of our values and our culture.

The government will encourage and help Canadians to participate and to continue to participate in co–operative development and will take measures to improve the effectiveness of the official development aid program.

[*English*]

In closing let me say that our country's foreign policy is a source of pride for all Canadians. Our foreign policy aims to bring people together to dialogue, to build bridges and to form ties. We must involve the people of Canada, including obviously their members of Parliament, non–governmental organizations, universities, provinces, cultural groups and those who are involved in the development of what we believe should be a good, proud, effective foreign policy.

• (1025)

Indeed we ought to meet expectations because it is quite clear as we travel throughout the world that other people expect a lot from Canada. They count on us to be a partner, to be friends and allies in their efforts to strive in a new world of peace and security and prosperity for their populations.

The policy I am presenting today takes this into account. It is innovative in its openness to input from Canadians and from Parliament and it depends on continued support from Canadians to make it an effective foreign policy. It is innovative in its objectives which are more sharply focused than ever before.

Economic and trade factors have a primary place in it. Risks to security are looked at in a broad perspective, something that has never been done before. It has been more or less focused exclusively on military dimensions. For the first time we now have something much wider and which takes into account the reality of today in dealings and in trying to strive for a security policy that corresponds to our objectives and needs, but it is very much in line with the tremendous changes which have occurred in the world in recent years.

Finally, it also clearly sets out the particular importance given to the promotion of Canadian culture and values and the importance of working hard with others to ensure that the freedoms, the democratic system, the respect for human rights, and the promotion of individuals as we know in Canada will continue to make progress in many parts of the world where Canadians are asked to participate and influence the decision making process. Certainly that third dimension which deals with our values will be one on which we will work as hard as we are working on the two other dimensions of our foreign policy.

I conclude by thanking all the members of the joint committee for their excellent work, with the hope that the already well–established dialogue among governments, the people of Canada and Parliament will continue to bear fruit.

[*Translation*]

Mr. Philippe Paré (Louis–Hébert, BQ): Madam Speaker, I am pleased to discuss the policy statement tabled in this House by the government. The numerous upheavals which occurred on the international scene over the last few years have made it more urgent than ever for Canada to review its position and to define what its new role should be.

This morning, the government finally released the new objectives of Canada's foreign policy. Bloc Quebecois members played an active role in the work of the special joint committee reviewing Canadian foreign policy. Canada's participation in UN peacekeeping missions, its development assistance, as well as its efforts to promote human and democratic rights explain to a large extent our country's international reputation.

Bloc Quebecois members hope that this will continue to be the case, and it is with that in mind that they took part in the work of the committee.

However, I wish to remind the minister that the Bloc Quebecois felt it had to express a dissenting opinion regarding certain recommendations contained in the majority report. Indeed, we felt that these recommendations were not likely to promote major changes in Canadian foreign policy. Consequently, we made recommendations to the government, based on what we feel is a more adequate reflection of the notion which Quebecers, among others, have of the world surrounding them.

• (1030)

We sought to propose to the government another foreign policy which would reflect our abilities, serve our real interests, and which would be based on our experience. It is obvious, when you look at the policy statement released today, that the government missed the boat. There is virtually no concrete commitment in that statement, except for a confirmation of the about–face made by the government, which is resolutely turning its back on the promotion of human and democratic rights, thus

relinquishing its historic responsibilities. I will get back to this later on.

Let me take a few moments to discuss the key objectives which, from now on, will guide the government on the international scene. The hon. member for Verchères will deal more specifically with the government's first objective, which is to promote prosperity and employment, while I will mainly discuss the second and third ones, which are the promotion of security and of Canadian values and culture.

First, as regards the issue of security, it is clear that the intentions of the Minister of Foreign Affairs are not supported by concrete action. Indeed, in spite of his being in favour of UN reform, which the minister feels is a pressing issue, he has no immediate steps to propose. Instead of immediately announcing the gist of the reforms this government will propose on the occasion of the fiftieth anniversary of the UN, the minister has indicated he will wait until then to announce Canada's position on possible reforms.

Meanwhile, the UN remains incapable of taking effective action in the field, to prevent tragedies like those we have witnessed in Rwanda, the former Yugoslavia, the Sudan, and the list goes on. The minister does not seem to realize that reforms are urgently needed at the UN. The minister has been musing about this for more than fifteen months, but when will we see some concrete decisions? In fact, the minister is postponing decisions that should be made today.

What the minister had to say about some very important matters like the Arctic and non–proliferation of nuclear arms also merits careful scrutiny. The Arctic, the scene of constantly escalating militarism during the Cold War, should be given more serious consideration than what transpired from the minister's proposals. Instead of coming out in favour of a military withdrawal, pure and simple, from this territory, the minister proposes a plan for sustainable development to be implemented by the countries that share this immense territory.

What is the use of supporting this kind of scheme, attractive though it may be, if it is not supported by a firm Canadian position on the demilitarization of the area? Canada's firm position is reflected in a decision to spend $1 billion on submarines, as provided in the latest white paper on Canada's defence policy. Is that what the minister means by sustainable development in the Arctic? Would it not be preferable to start discussions on this very worthwhile objective now with our partners the United States, Russia and the Scandinavian countries?

The non–proliferation of nuclear arms is another case of the government not practising what it preaches. How can we expect Canada to have any credibility, when our position is in no way reflected in concrete policies? Would the minister not have done better to make exercising real control over our exports of nuclear products part of the government's trade policy?

As a world leader in the production of these strategic commodities, Canada undeniably has sufficient clout among the nations that buy our products. Here again, the minister prefers to take refuge in comments that seldom have much more than a cosmetic impact. It is really too bad the Minister of Foreign Affairs obviously was not listening to the many recommendations made by a host of witnesses who appeared before the joint committees on foreign affairs and defence.

Since it was elected, this government has constantly used consultations as an excuse, consultations that, unfortunately, are useless since the government lacks the political will to defend the convictions shared by Canadians and Quebecers.

• (1035)

With respect to the government's third objective, culture, the spearhead of Canadian foreign policy, I would like to point out right off that, once again, the Government of Canada is refusing to acknowledge and to address the problem of Canada's two constituent nations.

In their dissenting report, Bloc Quebecois members acknowledged that Canada needed anchoring against the overpowering culture of the United States. The government's approach in cultural matters, however, is based on the false premise that this is one nation with a single culture, a so–called Canadian culture. What is this Canadian culture, exactly?

Clearly Canada is having great difficulty defining itself. Its existential problem is that it is being torn apart by a double identity. The government's only response to this difficulty was to introduce the policy of multiculturalism. The minister is doubtless aware, as a Quebecer, that this policy is based not so much on a sociological analysis of the place of ethnic groups within Canada as on a desire to impose a single and common vision of Canada.

In our opinion, however, any policy intended to project the image of a homogeneous and unified Canada abroad can only lead to a denial of Quebec's culture. What the federal government is trying to do, in fact, is to use culture as a tool abroad to further marginalize and downplay Quebec's identity. Quebecers see through its scheme.

Before broaching the subject of international aid, I would like to consider for a few moments the issue of human rights. In his policy statement, the Minister of Foreign Affairs indicated, and I quote, "Human rights will remain a priority in the area of international aid". And later on, "The government will give priority to supporting democracy throughout the world in the years to come". In fact there is nothing concrete to support this wishful thinking on the part of the government.

What aspect of the policy statement released today establishes democracy and human rights as fundamental elements of Canada's foreign policy? Could the minister tell us this? What are the fundamental elements of foreign policy? The government simply dismissed this role, which suits its purposes, all the while refusing to truly entrench it as one of the basic principles of its foreign policy. It does nevertheless include some of the values shared by Canadians and Quebecers as a whole.

Canada's foreign policy should instead demonstrate unfailing consistency and openness in this regard if it wishes to maintain the wealth of respect and prestige acquired by Canada and which a sovereign Quebec nation would like to perpetuate.

The government quite simply lacked the will to ensure that the key elements of its foreign policy in respect of democracy and human rights be made into guidelines by the Department of Foreign Affairs and International Trade and by CIDA. The government could have done this with the collaboration of non–governmental agencies and commercial corporations.

Such guidelines might have included a compulsory schedule for analyzing situations involving systematic and flagrant violations of human rights and could have been developed quickly. Instead, the government is satisfied with a statement that is meaningless since it suggests no concrete action.

Regarding international aid, the government has once again missed the opportunity to be innovative in the renewal of its foreign policy. While, as we know, CIDA is being submitted to all kinds of pressures, preventing the agency from meeting its main objectives, the government failed to give it a constituent act clearly defining its powers and mandate. Currently, too many commercial considerations enter into some of the projets funded by CIDA.

From now on, international aid will have to serve Canadian commercial interests first and foremost. The government made itself very clear on that. We believe, on the contrary, that the main objective of aid should be to provide the poorest nations of the world with the tools necessary to develop at a sustainable pace.

• (1040)

What kind of mechanism is the government putting in place to ensure that public aid to development is only used to this end? No matter how hard we look, we cannot find any. Instead, the fact that priority will be given to commercial interests will result in cancelling the benefits of the Canadian public program of aid to development and contribute to widening the gap between rich and poor nations. The Quebec association of international co–operation agencies had also pointed this out to the governement.

As far as enhancing the role of NGOs in the delivery of aid programs, the government is saying no. The Bloc Quebecois' dissenting report and the committee's majority report agreed, however, on this issue: NGOs should have been granted a larger percentage of official development assistance.

In conclusion, I am inclined to say that the Minister of Foreign Affairs would have benefitted from attentively reading and taking into consideration the recommendations made by the official opposition in its dissenting report.

The government preferred not to respond to the observations and recommendations made by the official opposition in its dissenting report; this did not enhance democracy. Unfortunately, the policy statement issued by the minister this morning gives very few specifics. It is incoherent and short–sighted and is another demonstration of the federal government's inability to respond to the vision that Quebecers have of the world that surrounds them.

It is more important than ever that Quebec finally be able to be fully active on the international scene, to express its own hopes and to defend its own interests.

[*English*]

Mr. Bob Mills (Red Deer, Ref.): Madam Speaker, it is my pleasure to address the government's response to the report of the special joint committee reviewing Canada's foreign affairs. This review and the work with the committee was certainly rewarding and enjoyable for the most part, but when it comes to the minister's response I am somewhat disappointed.

I was very interested in looking at the government's response to the Reform Party's dissenting opinion in the final report. In this dissenting opinion Reform raised many important issues and areas of concern. We also made several constructive recommendations specifically intended to assist the minister in developing his program review. In other words, the Reform members of the special joint committee participated actively through eight months of meetings in the hope the minister would care about what we had to say.

Our dissenting report represented the issues and ideas we felt had to be addressed by the government, but to my very great surprise the government report has no section on our concerns. In short, our views were totally ignored.

When the final report was released we were suspicious when our dissenting paper and that of the BQ were included in a separate volume along with the lowly appendices. The government vehemently denied it was trying to marginalize our views and it claimed it was simply easier to include our paper in a second document because it was cheaper and easier to print two small documents rather than one large one.

What seemed to be a lame excuse at the time now seems somewhat more sinister. Clearly our views were not important enough for the government to consider and this document proves it.

Realizing there was no section on Reform's views specifically, I checked to see how the government was dealing with the recommendations we believed to be of particular importance. Again we were very disappointed.

In the area of fiscal responsibility, which was our number one priority, I could not find a single spending cut or suggestion of cuts. While there was some acknowledgement that Canada faces tough economic times, there were simply no cuts, period. Even worse, there was a commitment to eventually increase our aid budget to 0.7 per cent of GNP, although the Liberals do not say when. This is misleading to NGOs, foreign governments and Canadians, and just impossible to achieve so why say it. If we were to do this today it would mean spending a couple of additional billions of dollars of borrowed money each year to finance this scheme. As Canada's economy grows and our GNP gets bigger, the target will only continue to get higher and higher as the years pass. Clearly this is not a realistic goal given Canada's $40 billion deficit and $550 billion federal debt. The taxpayers expect more accountability from the government than ever before.

• (1045)

Another issue Reform very much hoped to see addressed involves CIDA. Reform and many Canadians want to give CIDA a true legislative mandate to increase its efficiency, accountability and transparency. A definite selling job has to be done to the Canadian public if we are going to continue to promote the ideas of CIDA. Unfortunately the government report rejects even the watered down recommendation in the special joint committee's report.

The main problem with the true legislative mandate is that the government would no longer be able to use CIDA's $2 billion budget as a slush fund into which the minister or Prime Minister can dip their fingers when it is time to dole out goodies to the international community. Heaven forbid that the minister should go to a country in Africa, Latin America or the Middle East without having some multimillion dollar gift from the Canadian taxpayer to herald his arrival. That apparently is one diplomatic tradition the government is intent on keeping.

In the government's response to the chapter on culture we were again surprised that the government, in a time of fiscal restraint, was willing to dole out cultural export subsidies to promote Canada's culture abroad. I guess this should not have come as too big a surprise, considering some of the recent grants doled out by the Minister of Foreign Affairs.

It strikes me as highly ironic that a government which has, to its credit, pursued freer trade world–wide and called for the reduction of other types of subsidies, would then go on to support cultural subsidies. Not to mention that when we are cutting back on social programs here, does it really make sense to be spending hundreds of thousands of taxpayer dollars to, for example, send the National Arts Centre orchestra to Europe so that, to quote the minister: "European audiences will again have an opportunity to experience the creativity and quality of its music". It does not seem to make sense.

Reform would have much preferred to see a creative, modern partnership develop between the business community and the arts, facilitated by the government. In this way the strength of Canadian culture could be promoted to the fullest. How much better this would have been than the Liberal solution of big government.

As an aside, if the government does as good a job of promoting Canadian culture as it has done with our economy, then the musicians and artists of Canada had been look out.

Last, the government report makes a lot of hay about how great its consultation process has been. It claims to want to have real consultation with Parliament and parliamentary committees. What does the record show? I remember in the fall when parliamentarians were called for a special parliamentary debate on peacekeeping in Haiti. The government wanted to know what to do. Or did it really want to know what to do?

The main problem with the government's consultation was that I had already read the government's firm plans in the morning paper. So much for the consultation process. We can go through the former Yugoslavian debate, through peacekeeping. The announcements are made prior to us even debating in the House, so what validity do they have?

The report also goes on to indicate that the government will have future forums to help Canada's foreign policy to continually evolve, once again through consultation. While this sounds very nice on the surface, the Reform Party's concern is that only university professors, the friends of the Liberal Party and other elite will ever get invited to these. While we would love to be proven wrong, we will wait and see what happens to ordinary Canadians.

I suppose the way this whole process started is an indication of that. If we take a look at who was at the Congress Centre, I think it proves my point. If the government is really serious about continuing the consultation process, then I hope it will invite the Canadian grassroots. Maybe then it would find out what the people really want. If it did this then maybe it will also consider drafting a new government report, one that address the specific concerns of ordinary Canadians, a report that is up front about what will be funded and what will be cut.

• (1050)

I feel the government is as out of touch as it was in 1992 with the referendum and with many other issues that occur today. The report should give specific plans which the government will implement in a timely manner, not when economic conditions permit or any other such nonsense. Finally, the report should deal with the issues of greater efficiency, accountability and transparency for the good of all Canadians.

Mr. Robinson: A point of order, Madam Speaker. I wonder if I might seek the consent of the House to respond briefly on behalf of the New Democratic Party to the statement of the Minister of Foreign Affairs.

Some hon. members: No.

The Acting Speaker (Mrs. Maheu): I am sorry we do not have unanimous consent. I recognize the Minister for International Trade.

Hon. Roy MacLaren (Minister for International Trade, Lib.): Madam Speaker, a year ago I rose in the House during the debate that launched the foreign policy review. Today we conclude the first and most important cycle on what must be an ongoing, continuing process of creative adjustment to a trading world always on the move.

Yet at least one element remains constant. A year ago I began my speech by quoting from Lester Pearson's 1957 Nobel Peace Prize speech in which he wisely focused on the central role of free trade in achieving the intimately connected objectives of peace and prosperity. Today, one year later, the results of the foreign policy review reaffirm the enduring strength of that vision.

Trade creates jobs and growth. Trade, investment and technology flows do not comprise a zero sum game that produces as many or more losers than winners. Rather, trade, investment and technology together comprise a creative, dynamic process that encourages innovation and provides opportunities for those wise enough to seize them.

Trade rules, if carefully crafted, do not detract from sovereignty but rather add to it. International trade and investment rules extend abroad the rule of law. Rules inhibit the ability of those countries with the greatest market power to exercise that power unilaterally for their own narrower benefit. Rules provide greater certainty for producers, encouraging greater innovation and longer term planning rather than speculative activity. A rules based system permits a unified Canada to occupy a central place in shaping the outcome of that trade system's continuing evolution.

The foreign policy review which we are discussing today drew on the views of many individual Canadians, non–governmental organizations, the private sector, parliamentarians. In the mid–1990s there is a broad recognition that something fundamental has happened to the global economy. Something is different in our global neighbourhood. There is greater consensus on economic fundamentals; greater competition for market share and quality investment; greater interest in freeing markets through rules based systems, whether regionally or multilaterally; and greater diversity in the partnerships that we can and should use in order to shape the rules to reflect Canadian interests.

The foreign policy review before us identifies two main objectives for Canada's trade policy. First, Canadians expect us to attract long term investments while eliminating barriers to our exports of goods and services. In this regard our objective will be to seek the further liberalization of trade and services and the removal of tariffs and non–tariff barriers, on a reciprocal basis, for all manufactured and resource based products.

At the same time, we shall work for further liberalization of trade in agricultural products, including the elimination of barriers to our important agricultural exports and a prohibition of export subsidies. The era of the tariff is finally coming to an end. We must increasingly address other, more pressing and difficult issues that distort business decisions about where and how to invest to the detriment of smaller economies such as that of Canada.

• (1055)

Second, Canadians expect us to work closely with business and workers, not only to ensure that the rules we are negotiating underpin growth and job creation, but also to encourage our transformation from being a trading nation into a country that can proudly and fairly portray itself as a nation of traders. The government has re–evaluated in depth its trade development programs with a view to increasing significantly their impact and relevance. I shall return to that point in a moment.

Let me first briefly outline how the government intends to move forward these two objectives: the removal of barriers, the attraction of investment and the further promotion of an export commitment among Canadians.

First, we plan to work with our trading partners to deepen the international rules governing trade, investment and technology, to discipline practices that disadvantage Canada.

Foremost in this regard we must continue to manage effectively the Canada–United States economic relationship. A united Canada has done well in opening the U.S. market while protecting Canadian sensitivities in such areas as cultural industries and agricultural products. The ongoing, effective management of this special relationship requires vigilance and national teamwork to ensure that Canadian interests are defended whenever U.S. regulators or special interest groups attempt to bend the rules of either NAFTA or the new World Trade Organization.

We shall pursue reforms that reduce the possibility of disputes with the United States concerning the issues of subsidies, dumping and the total operation of trade remedy laws. We shall seek better access to U.S. government procurement contracts and greater opportunities to compete with regard to financial services.

Multilaterally, we shall remain in the forefront of the work under way to ensure that the World Trade Organization becomes a dynamic force for extending rule making beyond the level achieved last year in the Uruguay round. The new World Trade Organization has an ambitious agenda of negotiations already under way in such areas as financial services, maritime transport and government procurement. There is also considerable unfinished business with regard to trade distorting agricultural subsidies. These are all important issues for Canada.

Moreover, past and present rule making and the increasing internationalization of markets are continually expanding the scope of domestic practices that require the attention of policy makers internationally to ensure that market access gains are not undermined by the use of new instruments to achieve old protectionist ends.

The new agenda of rule making will encompass such areas as product standards; anti–trust policies and the relationship with anti–dumping reform; the link between environmental and labour standards and trade; and the use of massive subsidies that distort decisions about where companies locate their investments to the detriment of countries such as Canada.

Second, we propose to widen our network of free trade partners to improve market access for Canadian exporters. Over the past year we have encouraged the expansion of NAFTA in order to ensure that this agreement is an outward looking, dynamic instrument.

Last December the first stage of our efforts was crowned with success when the Prime Minister joined the Presidents of United States, Mexico and Chile in announcing the beginning of the process that should see Chile become a full member of NAFTA by late this year or early next year.

• (1100)

Accession to NAFTA requires a consensus among current members. Canada worked hard to achieve that consensus on Chile. We also intend to build on this success to meet the challenge identified in the Miami summit of the Americas, of constructing a western hemisphere free trade area encompassing the whole of the western hemisphere no later than the year 2005.

During last month's visit to South America the Prime Minister launched the process of consultations that will take us farther in that direction by proposing the initiation of discussions with the Mercosur countries, the countries of the southern cone of Latin America, with a view to integrating Mercosur and NAFTA.

We intend to build realistically and vigorously from this starting point. We shall also pursue the widening of free trade through encouraging and participating in negotiations leading to accession to the World Trade Organization by several major economies that currently operate on the margins of the international rules based trading system.

These economies are important players in the global marketplace. They include China, Russia, Saudi Arabia, Taiwan. Moreover, we shall seek further commitments across the Pacific with our partners in the Asia Pacific economic co–operation forum, or APEC as it is more familiarly known.

These economies provide excellent markets for Canadian exporters. They are the source of much of the dynamism driving world growth today. Yet their commitment to the international trading system as measured by their level of acceptance of the obligations of that system is not yet commensurate with the benefits they derive from it. This must change.

Canada for its part will work actively to encourage the necessary commitment, including pursuing actively the free trade commitment made by APEC's leaders during their summit last November in Indonesia.

Then there is Europe. Although our ties of trade are proportionately somewhat less than a generation ago, they remain of the greatest importance. We also enjoy stronger than ever investment links across the Atlantic.

How then do we re–energize the transatlantic economic relationship, building on progress in regional agreements to maintain the dynamic of global trade liberalization? This is a question well worth pursuing whatever the precise answer or mechanism eventually developed to recharge our European links in the post cold war world.

While I have briefly outlined several of the key elements comprising our government's commitment to widening and deepening our network of rules based freer trade, this effort will have a considerably diminished impact for Canada unless Canadians take full advantage of the access secured through our international negotiations.

Rules help to open the door to prosperity and to keep it open. However, rules do not trade. It is companies that trade. Consequently, the government's third trade related objective is to rationalize and energize our international business development programs in light of the foreign policy review and extensive public consultation with both the private sector and the provinces over the past year.

We shall for our part redouble our efforts abroad to ensure that all our firms receive timely, relevant, accurate market information, access to foreign decision makers and the effective defence of their interest when authorities in other countries do not comply with their international trade obligations.

Domestically we are committed to extending the Team Canada concept to include a more coherent, integrated approach toward co–operation with the provinces in order to help increase the export readiness of Canadian firms. We are also refocussing federal government assistance to encourage job rich, small and medium size companies to enter export markets while improving their access to export financing by launching greater collaboration between the private banks and by our Export Development Corporation.

• (1105)

To facilitate Canada's full involvement in the global, increasingly knowledge intensive economy the government will also foster the acquisition and development of technology by Canadian businesses, in part through their greater participation in international research and development alliances. We shall also vigorously promote increased awareness among foreign investors of Canada's science and technology strengths.

Finally, we shall also focus more human resources on developing high growth markets in Asia Pacific and Latin America while targeting our efforts in western Europe more sharply on investment technology and strategic alliances.

Widening the reach of our free trade partnerships abroad, deepening the international rules consistent with Canadian interests and renewing and recharging our partnerships with business, large and small, and with the provinces, this is the government's basic trade agenda. It provides the basis for sustaining growth and for job creation at home in Canada.

[*Translation*]

Mr. Stéphane Bergeron (Verchères, BQ): Madam Speaker, I am pleased today to be involved in the conclusion of a project to which my colleagues and I devoted considerable time in the course of 1994.

To their credit, the Liberal government's policies tabled today differ significantly from those of previous governments and take a somewhat new approach in terms of international trade. The need to tighten spending probably forced the government to make choices in its international trade promotion programs. The policies being presented today, however, are being presented as well thought out and considered.

The government's approach differs from that of its predecessor in that it is proposing diversification of markets outside North America and would appear to be dismissing or even denying the phenomenon of continentalization. Furthermore, it is proposing a vigorous strategy to promote free trade through multilateral organizations such as the WTO, regional organizations such as APEC, the North and South America free trade area and a still theoretical European and American free trade area.

Finally, the minister is initiating a series of measures to try to contain American unilateralism, which is viewed as a threat to Canada's commercial development.

This is, in fact, one of the most striking elements of the speech by the Minister for International Trade and of the statement of policy tabled today. With your permission, I would like to comment briefly on it. I will say right off that we reject the one–dimensional image of our trading partner being painted for us. Once again, the minister has described the United States to us as some sort of elephant to be constrained or a geopolitical and commercial problem to be managed, to use the minister's wording.

Given this analysis of Canadian–American relations, one can see why the minister seems to have had difficulty in developing a strategy consisting of anything more than, in a manner of speaking, aiming to contain, restrict, neutralize and indeed limit our relations with the United States. How can such an attitude be justified in view of the enormous market located just across the border whose influence will make or break our economic prosperity?

The minister translates his vision into policies with a similar perspective on the United States. He does in fact mention "taking a united stand", "protecting" ourselves and "assuming a defensive position". These overly cautious and defensive policies are born of this fearful attitude towards the United States and of a siege mentality.

Some people, I am sure, would tell me that the United States have not always fully respected the principles of free trade. I would gladly agree. In this regard, I would even add that the Bloc Quebecois and I have not hesitated to criticize in no uncertain terms the unspeakable attitude of our neighbours to the south in regard to steel, wheat, timber, beer, uranium and, most recently, agricultural products subject to supply management as well as cultural products.

In fact, that is the reason why we strongly support this government's desire to work towards an international system based on respect of the shared rules of the game by all parties, even commercial giants.

• (1110)

We support the initiatives presented to the World Trade Organization, which must now prove itself and study crucially important issues such as rules on dumping and subsidies.

We also support the government's wish to open NAFTA up to new players and to give us more weight against the United States.

Furthermore, we support the trilateral discussions being held between the United States and Mexico in order to reach an agreement on dumping and subsidies before the end of the year.

We expect a lot from the Prime Minister's campaign promise on this issue. However, this undue wariness, this near mental blocking of the United States troubles us, because it blinds the government to business opportunities and to the huge potential the American market holds, especially for our small and medium size businesses.

Too preoccupied with the relative importance of the United States in our trade structure, the government refuses to see that we still have not exploited all of the potential there. Nevertheless, each year hundreds of small and medium size businesses baptize their export operations by naturally turning to the commercial entity which is geographically closest, where language is not a barrier, the culture is similar and, of course, where free trade rules apply.

In fact, for the vast majority of small and medium size businesses, the United States is the export market of choice.

As a consequence, the government should perceive the action plan for small and medium size businesses on the American market more in terms of development, exploitation and conquest of a new market. Policies on the promotion of international trade and the allotment of resources should take into consideration and reflect this inevitable reality.

Need I remind members that economic growth in Canada is closely linked to our businesses' exports to the United States? One has but to consider the extraordinary increase of 19.8 per cent in Canadian exports to the American market, and the increase of close to 30 per cent for Quebec in 1993. Growth in that area was almost six times greater than growth in our exports to Asia.

For the nine first months of 1994, our exports to the United States increased again, from 19.8 per cent to 21 per cent. These figures clearly show that our post–recession economic growth is not due solely to the new developing markets of Japan, China and other Asian countries, far from it.

Despite what the Liberal government may think or wish, Canada is part of the increasingly integrated North American market. Trying to diversify our markets is one thing, but ignoring Canada's inevitable economic and trade integration with the rest of North America is another.

This analysis brings me to the conclusion that we are now witnessing a re–emergence of the third option favoured by Liberals in the 1970s, namely replacing Europe with Asia as our main market.

This ambitious but rather ineffective, not to say unproductive, policy overshadows once again the government's statements and options, something that we find quite alarming. Government efforts to target geographic markets are generally not effective. Only businesses are in a position to identify their markets of choice, and the government must adjust to their choices. Eighty per cent of Canadian businesses want to do business in the U.S. If some of them feel up to exploring less accessible markets, all the better. We welcome their success, which creates jobs and generates wealth.

However, we cannot agree with efforts to redirect artificially, so to speak, Canadian trade toward other markets by unjustifiably neglecting to look forward with enthusiasm to the development of our full trade potential in the U.S. This would be a major strategic mistake.

Allow me to quote from our dissenting report remarks that appear to be more appropriate than ever:

> However, it would be irresponsible to overlook the proximity of Europe and the enormous potential of this continent, particulary where Quebec is concerned. Is the St. Lawrence River not the most direct point of entry of Europe into the North American continent? Nor should we lose sight of the undeniable political advantages that Quebec enjoys because of its French and British roots.
>
> —the European continent, reconciled from West to East, with a population of close to 600 million consumers, flush with capital and cutting edge technological and industrial expertise, is not a player to be dismissed lightly.
>
> As Canada stands poised to redefine its relations with the world, it must rediscover the old continent from which it split and structure its foreign policy on the European axis, the counterpart of the American and Asian axes.

• (1115)

In closing, I would like to touch on a number of concepts that have been incorporated in the governmental strategy before us. First, the government proposes the Team Canada concept. In clear terms, this means an Ottawa–based centralized approach to international trade. It may suit certain provinces, as is apparently the case of Ontario, who signed with the federal government a coordination agreement that could not be imposed upon any other province, especially not Quebec. Quebec has developed an extensive international trade representation network that is proven—I repeat, proven—and that it certainly has no intention of doing away with.

The Team Canada approach ignores the economic and cultural reality of Canadian regions. It would be incorrect to consider this country as one, single, homogenous market. Canada is made up of several regions, each of which has its unique characteristics and its own primary markets, industrial fabric, strong sectors and geographic and cultural ties. Nowhere in this policy does the government take this into account, let alone in this great levelling whole that Team Canada is.

On the other hand, the government tells us in this policy statement that it intends to cut administration expenses and restructure international trade development programs. These good intentions are truly commendable and we are looking forward to seeing what will come of these good intentions, in concrete terms, in the upcoming budget. Moreover, we feel that the government's emphasis on small and medium size businesses is the obvious thing to do, since the current fiscal situation does not leave any other option and that big corporations need government support the least.

We also think that the government's intention to allow federal and provincial civil servants, as well as private sector people, take courses at the Canadian foreign service institute is an excellent idea, as well as a step towards greater utilization of government services.

It is also interesting to see that Canada is reviewing its political approach in Washington, given the new realities, and particularly the emergence of a strong U.S. Congress, more powerful than ever. We hope for concrete steps in support of this new approach.

In conclusion, we will ensure that the government implements the policies and programs which best serve the interests of all Canadians and Quebecers. We will continue to take a hard look at the controlling approach of that government. In order to ensure the prosperity and development of our businesses and communities, the vital importance of the American market must be recognized.

Moreover, that recognition must come before a necessary acceptance of that reality and a strong will to fully develop that potential.

[*English*]

Mr. Charlie Penson (Peace River, Ref.): Madam Speaker, it is gratifying for me to see that a little over a year has just passed and we have had a foreign policy review in Canada and we have had a response to the foreign policy review by this government.

I was a part of that foreign policy review as well as my other colleagues on this side of the House and enjoyed the process very much. I enjoyed getting to meet the members of the standing committee who were involved and hearing the concerns of Canadians about where our foreign policy should be heading in the future. To a large extent this time around I believe foreign policy was driven by economic and trade policy.

It is a pity the government's response to this policy arrived on my desk about 20 minutes before I came into this House at 10 o'clock. It is very difficult for me to have an adequate response. I have to take this government to task for an ongoing series of short notices on these kinds of matters. What is there to hide here? I would have liked to have had adequate time to prepare my response and I simply did not have it. I must say I did get a fax of the minister's speech overnight and I do appreciate that. By necessity then I will be keeping my comments short.

• (1120)

My colleagues and I believe in trade liberalization and we believe in it wholeheartedly. We have viewed with great satisfaction the tremendous transformation as well of the government on this issue. We recall that not too long ago we had a Prime Minister who was denouncing freer trade with the Americans. Now we witness him trotting around the globe promoting trade as the granddaddy of free trade. We welcome that.

I would like to begin my response by taking the trade minister to task on his statement in the report. I quote him in saying that the era of tariffs is finally over. I wish that were true. I find his statement even more ludicrous because he ties it to a desire to eliminate trade barriers to export of our agriculture products.

How can the minister say the era of tariffs is over when we have tariffs of over 300 per cent on our supply managed products? They are coming down at a very slow rate. In fact, they are coming down by an average of 36 per cent over the next six years. However if you take into account that we have a minimum tariff reduction of 15 per cent on all tariffs plus a 51 per cent on minimum access, in fact the true figure would be more like a 16 per cent tariff reduction in supply managed products.

Therefore we will not see any free trade in agriculture products under the supply managed sectors during our time in this Parliament unless something is changed. They are still very high. I believe the government has to take some leadership in this issue of supply management, be honest with Canadian producers and tell them there is a real world out there that they have to adjust to. We have been saying this all along.

We are going to have retaliation from the Americans. It is starting to happen in this area. They are taking exception to our high tariffs in the supply managed sectors. They are looking for ways of retaliating. We have seen retaliation in the area of wheat. We see retaliation in the area of setting high tariffs on sugar products. Of course now we are going to have the cultural industries that are going to be hit.

We have to show leadership in this area and help our producers to make this adjustment. It is our view that the supply managed sectors should be given 10 years to move to zero tariffs so that they do not interfere with other aspects of our trading relationships, particularly with the United States. The government should sit down with this industry and try to work out a plan to make this happen. It should show some leadership.

The minister says that the government "must continue to manage effectively the Canada–U.S. economic relationship". We all know that the Americans are tough negotiators and they have the economic clout to carry through with their threats. I

ask: What is the point of not dealing decisively with these trade irritants that we have caused ourselves?

I will move to a second aspect of the government's response to the foreign policy review. On page three of the response the government states that it rejects the committee's proposal to establish a joint public and private consortium to assist in international business development. I am sorry to see that is the case.

This proposal would not entail any new government expenditures. In fact it would put into private hands some of the functions that government now performs thereby saving the government money. When we have a $40 billion deficit I would expect that we would be looking for ways to do that. Trade promotion is one that could fall well within that category and this recommendation should have been adopted.

I would like to see the government devolve wherever possible tasks to the private sector that it can do better. This is one area I believe there is room to do something in terms of trade promotion.

The final point I would like to make is with a statement that appeared on the very first page of Canada's foreign policy report. The statement reads as follows: "Many witnesses stressed the importance of Canadians getting their own house in order in terms of fiscal management, making the economic adjustments necessary". I could not agree more.

We are going to be going through a process within a few weeks in this very House that has to deal very aggressively with Canada's debt problem. That is also causing a lot of problems for Canadian business. The high cost of doing business in this country is not allowing Canadian business the opportunity to take full advantage of the trade deals that have been made. We have the World Trade Organization, we have the signing of the GATT, we have a North American free trade deal and we have the Prime Minister and the trade minister trying to broker some other deals together. I think that is excellent.

• (1125)

What we are missing here is a very important element. That element is that we have to concentrate on lowering the cost of doing business in this country. We have to get rid of internal trade barriers that are inhibiting our businesses, our opportunity to do business better. The concentration for the next while has to be here at home to resolve some of those problems; otherwise we are misleading our Canadian business people about the opportunities that are out there because we will not be able to take advantage of them.

We all know that when we have trade liberalization it is a double edged sword. I would like to see the government take a stronger approach to informing, to making our business people aware of what opportunities are out there, but also what they are going to be facing in terms of competition here at home.

In the past we have had barriers to trade within Canada, such as tariff barriers that have given our Canadian business people an opportunity to have all of the Canadian market or most of the Canadian market to themselves. That is no longer going to be the case. We are going to be facing increased competition at home and it is important that our business people realize that so that they can start to deal with this very important issue.

Only when our companies are competitive at home can we be truly competitive in the international sphere. I believe the trade deals we have signed are going to drag us kicking and screaming into the 21st century but it is a good thing we have done it.

Our party of course has issued a dissenting report the aspects on which it is based are: we have to have fiscal responsibility here at home; we have to tighten up in the area of the cost of doing business to our companies; we have to get our own house in order. We believe that trade promotion should be an aspect of business as well as government. We also believe that the cultural industries should be regarded as businesses in themselves.

We hear that the government in responding to the recommendations that it be involved in promotion, development and distribution of culture wants to pursue that. I believe that is a mistake. We also hear that some American distribution companies will not carry our cultural industries. I believe they are producing a good product. They will be carried in the same way that any other product is carried.

I do not think the government has a role in the area of culture. This should be left to the business sector or those sectors in the cultural industry that can do it for themselves. I believe they can compete very effectively.

With that, I welcome this response. I would like to have an opportunity to finish reading it. I have not had the time to do that with this short notice. I would ask that from here on in we be given ample opportunity to look at these issues with enough time to respond properly.

* * *

[*Translation*]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I have the honour to present the fifty–seventh report of the Standing Committee on Procedure and House Affairs regarding the membership of committees.

With leave of the House, I intend to move for concurrence in this report later this day.

[*English*]

Madam Speaker, I think you would find the consent of the House to dispense with the reading of the 57th report of the Standing Committee on Procedure and House Affairs.

I think you will also find consent for the following motion. I move that the 57th report of the Standing Committee on Procedure and House Affairs presented to the House earlier this day be concurred in.

The Acting Speaker (Mrs. Maheu): Does the parliamentary secretary have unanimous consent?

Some hon. members: Agreed.

The Acting Speaker (Mrs. Maheu): 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.)

* * *

• (1130)

OFFICIAL REPORT

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Madam Speaker, I rise on a point of order. I asked the page for yesterday's *Hansard* in which I did table petitions and noticed *Hansard* reads Monday, January 6, 1995. I know the House will correct this *Hansard*.

The Acting Speaker (Mrs. Maheu): *Hansard* will be corrected. I thank the hon. member.

* * *

PETITIONS

GUN CONTROL

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Madam Speaker, I am pleased to rise and present three petitions signed by over 700 people from several communities in the constituency of Cariboo—Chilcotin.

My constituents feel that existing controls on law-abiding, responsible firearms owners are more than enough to ensure public safety and therefore call upon Parliament to support laws which will severely punish all violent criminals who use weapons in the commission of a crime, to support new Criminal Code firearms control provisions which recognize and protect the right of law-abiding citizens to own and use recreational firearms, to support legislation which will repeal or modify existing gun control laws that have not improved public safety or have proven not to be cost effective or have proven to be overly complex so as to be ineffective or unenforceable.

SERIAL KILLER CARDS

Mr. John O'Reilly (Victoria—Haliburton, Lib.): Madam Speaker, pursuant to Standing Order 36, I am pleased to present a petition on behalf of the constituents of Victoria—Haliburton who are vehemently opposed to the importation of serial killer cards.

This petition adds to the growing list of Canadians who are opposed to the killer cards which glorify serial killers and send a negative, violent message to the youth of our country.

This petition calls upon Parliament to amend the laws of Canada to prohibit the importation, distribution, sale and manufacture of killer cards in law and to advise producers of killer cards that their product, if destined for Canada, will be seized and destroyed.

CRIMINAL CODE

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Madam Speaker, I have two petitions to present today which have been duly certified by the clerk of petitions.

These two petitions deal with common sense of the common people. The first petition deals with the repeal of section 745 of the Criminal Code which allows persons convicted of murder who were sentenced to life in prison, which is 25 years in this country, the ability to apply for a review after just 15 years of their sentence.

The petitioners are requesting the repeal of section 745; common sense of the common people.

GUN CONTROL

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Madam Speaker, the second petition adds to the growing number of Canadians, particularly in my riding of Okanagan—Similkameen—Merritt, concerned about the proposed additional gun legislation.

The petitioners are calling upon Parliament to oppose further legislation for firearms acquisition and possession and to provide strict guidelines and mandatory sentences for use or possession of a firearm in the commission of a violent crime.

There are 42 names on this petition which, added to the other petitions received in my riding, adds up to 1,314 people. The common sense of the common people is clearly saying they fear a government that will not listen to the people more than they fear a law-abiding citizen with a gun.

[*Translation*]

CANADA POST CORPORATION

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Madam Speaker, I wish to table a petition signed by more than 90 per cent of the people of Saint-Clément-de-Rivière-du-Loup, in which the undersigned call upon the Parliament of Canada to do what is necessary to ensure that the Canada Post Corporation re-opens the post office in Saint-Clément, which

was closed in December 1992, so that the community will again enjoy the kind of service the crown corporation is supposed to provide.

I would like to remind the House that the Canadian government's moratorium on closing post offices came as a result of the efforts of the people of Saint–Clément and that a number of members here, including the members for Glengarry—Prescott—Russell and Rosemont, went to support the people of Saint–Clément in their struggle. Paradoxically, today we have a situation where many post offices across Canada were saved thanks to the action taken by the people of Saint–Clément. Unfortunately, the people of Saint–Clément were not covered by the moratorium, and now they are asking to have this omission corrected. That is my purpose in tabling their petition.

• (1135)

[*English*]

SEX OFFENDERS

Mr. Bob Mills (Red Deer, Ref.): Madam Speaker, it is my pleasure to rise today to present to Parliament a petition signed by over 400 constituents of my Red Deer riding.

With respect to the petition, the citizens express their concerns that the rights of repeat sex offenders are given precedent over the rights of innocent children as in the case of Sarah Kelly of The Pas, Manitoba.

Therefore, the petitioners humbly pray and request that Parliament enact legislation making the safety of our children a priority and request that changes be made to the Charter or Rights and Freedoms to enable residents to be notified when repeat sex offenders are released in the community.

I concur with this and present this on behalf of my constituents.

GUN CONTROL

Mrs. Marlene Cowling (Dauphin—Swan River, Lib.): Madam Speaker, pursuant to Standing Order 36, I am presenting a petition today signed by 400 residents of my constituency of Dauphin—Swan River.

The petitioners believe that the proposed changes to Canada's existing gun laws are unfair to law–abiding gun owners. They believe the changes will have a detrimental effect on specialized business, will impose unrealistic restrictions on responsible, recreational firearms use and will have no effect in reducing the criminal use of firearms.

The petitioners call upon Parliament to refrain from passing any changes and amendments that further restrict the law–abiding gun owner.

SAME SEX RELATIONSHIPS

Mr. Art Hanger (Calgary Northeast, Ref.): Madam Speaker, I have several petitions to table today.

The first two, bearing 101 signatures, deal with sexual orientation. The petitioners pray and request that Parliament not amend the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the Canadian Human Rights Act to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

I concur with these two petitions.

GUN CONTROL

Mr. Art Hanger (Calgary Northeast, Ref.): Madam Speaker, I have two petitions dealing with firearms.

The petitioners, 515 in total, request that Parliament support laws which will severely punish all violent criminals who use weapons in the commission of a crime, support new Criminal Code firearms control provisions which recognize and protect the right of law–abiding citizens to own and use recreational firearms, and support legislation which will repeal and modify existing gun control laws which have not improved public safety, have proven not to be cost effective or have proven to be overly complex so as to be ineffective and unenforceable.

RIGHTS OF THE UNBORN

Mr. Art Hanger (Calgary Northeast, Ref.): Madam Speaker, I have two additional petitions on pro–life.

Petitioners, 126 in total, pray that Parliament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

IMMIGRATION

Mr. Art Hanger (Calgary Northeast, Ref.): Madam Speaker, I have a petition on immigration. The undersigned petitioners humbly pray and call upon Parliament to reduce immigration to the previous average level of one–half of 1 per cent of the population, or about 150,000 per year, with a basic intake of not less than 50 per cent of the total composed of carefully selected, skilled workers required by the Canadian economy and that our refugee acceptance rate be brought into line with the average of other asylum destination countries.

I concur with this petition.

EUTHANASIA

Mr. Art Hanger (Calgary Northeast, Ref.): Madam Speaker, there are 750 names on a petition dealing with euthanasia.

The petitioners pray that Parliament will ensure that the present provisions of the Criminal Code of Canada prohibiting

assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

I concur with all of these petitions.

• (1140)

HUMAN RIGHTS

Mr. Svend J. Robinson (Burnaby—Kingsway, NDP): Madam Speaker, I have the honour to present a number of petitions. The first petition is signed by a number of residents of Toronto, Ottawa and my own constituency of Burnaby—Kingsway. It notes that acts of discrimination against lesbian, gay and bisexual Canadians are an every day reality in all regions of Canada. It goes on to document some of the forms that discrimination takes in Canada.

The petitioners therefore call upon Parliament to act quickly to amend the Canadian Human Rights Act to prohibit discrimination on the basis of sexual orientation and to adopt all necessary measures to recognize the full equality of same sex relationships in federal law.

ASSISTED SUICIDE

Mr. Svend J. Robinson (Burnaby—Kingsway, NDP): Madam Speaker, the second petition is signed by residents of a number of communities in Ontario, Manitoba and in the province of British Columbia.

It notes that the current Criminal Code denies people who are suffering from terminal or irreversible and debilitating illness the right to choose freely and voluntarily to end their lives with the assistance of a physician.

Therefore, the petitioners call upon Parliament to amend the code to ensure the right of all Canadians to die with dignity by allowing people with terminal or irreversible and debilitating illness the right to the assistance of a physician in ending their lives at a time of their choice, subject to strict safeguards to prevent abuse and to ensure that the decision is free, informed, competent and voluntary.

HUMAN RIGHTS

Mr. Peter Milliken (Kingston and the Islands, Lib.): Madam Speaker, I have the honour to present two petitions signed by residents of Kingston.

The first petition calls upon Parliament not to amend the human rights code or the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships.

The second petition calls upon Parliament to amend the Canadian Human Rights Act to protect individuals from discrimination based on sexual orientation.

I am pleased to table both these petitions, although conflicting, in the House today.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, the following questions will be answered today: Nos. 111 and 127.

[*Text*]

Question No. 111—**Ms. Beaumier:**

When will the Minister of Justice and the Minister of Health seek the co–operation of provincial governments to enforce the post–sentence detention of child sex offenders who are likely to re–offend upon release, through provincial mental health legislation and what is the timetable for having the necessary agreements in place?

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Federal/provincial/territorial ministers responsible for justice will be meeting with a delegation of ministers responsible for health in the latter part of January or early February, 1995. The report of a federal/provincial/territorial task force respecting dangerous offenders will be a topic of discussion on the agenda and the use of provincial mental health legislation to effect civil commitment will be an option among those discussions. The degree of consensus we can achieve at that meeting will largely determine the speed with which we can proceed.

Bill C–45 is currently before the House and contains amendments permitting the National Parole Board to detain persons with a high risk of offending against children until their warrant expiry date.

While legislative amendments and federal/provincial/territorial agreements/protocols will go some way to providing better tools to deal with offenders of this sort, it is doubtful that any failsafe mechanism can be found to eliminate all risk. Prudent attention to crime prevention behaviours will always be required by careful citizens.

Question No. 127—**Mr. Simmons:**

What action will the government take in reference to the claim made by the Auditor General in his 1994 report that "Health Canada cannot ensure that the food related and safety provisions of the Food and Drugs Act are applied fully and effectively to all food produced domestically or imported for sale in Canada," and what specific measures are being developed to deal with the gaps in information received from the provinces on "the nature, extent, timing and results of food safety inspections they undertake"?

Hon. Diane Marleau (Minister of Health, Lib.): Health Canada recently initiated a food safety audit of inspection programs of the other federal departments dealing with food namely Agriculture and Agri–Food Canada and the Department of Fisheries and Oceans. Specific programs being audited include those for imported foods, shellfish inspection and food container integrity. The first phase of the audit, which is in

process, will assess the suitability of these programs. A second phase of the audit, to be completed in the next fiscal year, will look at the application of these programs. Comprehensive standards for the inspection of domestic plants producing a variety of foods have also been developed.

With respect to provincial issues, the responsibility for the inspection of food which is produced and sold within a province is the responsibility of that province. The only food inspection activities that are conducted by the provinces for which the federal government is currently responsible are those activities conducted by the provinces on behalf of the federal government. Health Canada is presently considering how the food safety audit program could be extended to cover these areas. This is being dealt with in the context of the recent Canadian food inspection system initiative to more fully integrate the various food inspection systems within Canada at the federal and provincial level.

* * *

[*English*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I would ask if you would be so kind to call Starred Question No. 95.

The Speaker: Is it the pleasure of the House that Starred Question No. 95 be deemed to have been made an Order for Return?

Some hon. members: Agreed.

[*Text*]

Question No. 95—**Mrs. Lalonde:**

What have been the monthly unemployment rates from September 1993 to October 1994 in each of Canada's 295 federal constituencies?

(Return tabled.)

[*English*]

The Acting Speaker (Mrs. Maheu): The questions as enumerated by the parliamentary secretary have been answered.

Mr. Milliken: Madam Speaker, I therefore table the return and would ask that the remaining questions be allowed to stand.

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

Some hon. members: Agreed.

The Acting Speaker (Mrs. Maheu): I wish to inform the House that pursuant to Standing Order 33(2), because of the ministerial statements, Government Orders will be extended by one hour and 20 minutes.

GOVERNMENT ORDERS

[*English*]

IMMIGRATION ACT

The House resumed from February 6 consideration of the motion that Bill C–44, an act to amend the Immigration Act and the Citizenship Act and to make a consequential amendment to the Customs Act, be read the third time and passed.

Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.): Madam Speaker, it gives me great pleasure to participate in this debate on Bill C–44, an act to amend the Immigration Act and the Citizenship Act.

Many of my constituents have expressed concerns regarding immigration and I welcomed the minister this past September in Guelph where he spoke to us about this important issue.

Guelph—Wellington has welcomed immigrants in the past and it wants to welcome immigrants in the future. According to the last census our community is made up of new immigrants from Great Britain, Central and South America, India, various parts of Europe and parts of the Caribbean and Asia. Guelph—Wellington residents speak Italian, Portuguese, Spanish, German, Armenian and a host of other languages in their homes. Italians, Ukrainians, Germans, Austrians and other ethnic groups have associations where children learn about their heritage and people come together with others from their native lands to celebrate what they have in common.

Each one of these individuals no matter what their country of birth or their language has a desire to live here in Canada. Their Canadian citizenship is the tie that unifies and joins them all with us.

• (1145)

There is no doubt that Canada is the best country in the world. It is then obvious that people from every part of the globe would want to share our abundance and come to communities like Guelph—Wellington to begin to live new lives in freedom and with the hope of prosperity.

We have been generous as a people and a government, however my constituents have asked me to review the immigration system in order to ensure that our generosity is not abused. This bill is long overdue. It is necessary if we are going to restore integrity to a system that has been damaged by those who reject our generosity, ignore our laws, and fail not only every Canadian but everyone who wishes to immigrate to Canada.

Our immigration system has been built on the same elements that have made our country great. Determination, respect for each other and for our laws, hard work, and dedication to self and family have been the hallmarks of Canadians born here and elsewhere.

Guelph—Wellington's workforce is well respected because of its people. They have a tradition of excellence learned from their parents and grandparents who brought with them from foreign lands the desire to work hard and build products that are durable and of excellent quality. We have had the lowest unemployment in the country because of these qualities. Our business leaders have names like Samuelson, McCarthy, Briestensky, Sleeman, Youngman and Hasenfratz. By working together, old Canadians and new, natives and immigrants have built Guelph—Wellington into one of the finest communities in Canada.

This bill recognizes that abuses have occurred and places our generosity on notice. This bill attempts to address the concerns of the people of Guelph—Wellington and elsewhere all through the country who have witnessed a desire for fairness being questioned and challenged by individuals who have no respect for our laws. We are doing something about those who fail to recognize that our society does not tolerate criminals and criminal acts.

Bill C–44 is another example of a government that listens. Canadians have expressed legitimate concerns about current abuses. Every member in this House has heard them. This legislation is intended to help police forces do their jobs more effectively. I recently met with police in Guelph—Wellington who are frustrated by obstacles that hamper their important work.

We have listened and we are acting now. My constituents have demanded that serious criminals who are a danger to the public not be allowed to claim refugee status as a means of delaying their removal from Canada. This bill ensures that a refugee application is not a tactic for stalling.

My constituents have asked the government to eliminate the opportunity for one person to have several refugee claims processed at the same time. This bill answers those concerns.

My constituents have also asked that persons with summary convictions, whether obtained here or abroad, not be allowed to enter this country. This bill responds to that concern as well.

My constituents agree that refugees should be welcome to Canada under certain circumstances. They have watched the horror and famine in Somalia, the destruction caused by the war in Bosnia, and the plight of children in Romania. They want to share their abundance and protect genuine refugees, but they will no longer tolerate those who use the refugee system to hide behind criminal convictions and avoid deportation.

My community has examples of refugees who have been forced to flee from their countries of birth and have made successful lives in Canada. Sadly this is not always the case. Guelph—Wellington residents are tired of those who abuse our system. They are disappointed that their concern and care have been rejected by those who have no respect for their generosity.

I welcome the amendments that have been brought forward by the Standing Committee on Citizenship and Immigration. These amendments clarify the definition of criminality and improve the enforcement package that was put forward by the minister.

• (1150)

These amendments also clarify timeframes and various technical points. All members of Parliament should be proud that the work of our committees and the work of the immigration committee is finally coming to fruition in this legislation. This is what our constituents have been asking us to do.

Bill C–44 gives the minister and senior immigration officials the tools to deal effectively with the concerns raised by my constituents and millions of other Canadians. This legislation, together with the immigration package recently announced by the minister, increases the credibility of our immigration system.

Canadians and those applying for immigration status at embassies and consulates at every corner of the world want a system that is fair, balanced and credible. Constituents who visit my office daily or write to me with immigration application concerns want fairness. They know there are the few who make it even more difficult for their children, their spouses, their parents and siblings to make application and be accepted into this country. They want fairness too. Those who abuse make it difficult for those who want to come to Canada to be reunited with their families and contribute to our society.

Bill C–44 prevents exploitation of our generosity. It speaks to fairness and attempts to end abuse. Who in this House would not want that? The bill recognizes the hard work and contribution of immigrants, while realizing that Canadians no longer accept criminal acts by bogus individuals or those who attempt to come to or remain in Canada to perpetuate their criminal lives. They will not stand for it.

Liberals have a long history of tolerance and fairness. We helped build Canada with people of every race, from every part of this world. Tough times have made us question our ability to welcome new immigrants.

It is my belief that we can encourage new Canadians to become active participants in our great society, while recognizing the legitimate concerns of our citizens, many of whom are first or second generation Canadians themselves. This legislation informs those who question our generosity that we will no longer allow abuse.

Our country can be shared, but with those who respect our laws and want to contribute to make this nation great. My

constituents have demanded no less. For them this legislation, Bill C–44, deserves every member's support.

Mr. Art Hanger (Calgary Northeast, Ref.): Madam Speaker, I appreciate that the member has clearly outlined the concerns of her constituents. Those concerns have been expressed right across this country as Reformers have brought these matters to the attention of this House and forced this debate.

I would like to point out to the member she was not present when any of the witnesses stood forward at the standing committee and testified to their concerns about this bill.

Since the member has chosen to debate the matter, what does she intend to advise the government, or how will she express her concern when it comes to matters of insufficient numbers of people on the front line to enforce any provisions of this act and the present act? Many of those provisions are already there.

There are insufficient numbers at the front line. There are insufficient numbers in the enforcement agency of immigration itself to carry out deportation warrants. The detention centres are already overcrowded because of lengthy hearings and removal processes that are literally hindering efficiency.

What does the member intends to do to direct her government to address those problems? They are there whether Bill C–44 exists or not.

Mrs. Chamberlain: Madam Speaker, I would certainly like to respond to the comments that Reformers have brought this issue to debate. That is not so at all. Every single Liberal member here has brought the same concerns forward from across this country. We, the Liberals, have brought this bill forward in conjunction with a committee report.

• (1155)

As I stated in my speech, I think every member should be proud to support this bill. It is a very real mistake if people do not support it. As the hon. member has said, I think he will find his constituents will not be happy if he does not support a bill that will address such things as refugee claimants who have committed serious crimes being denied access to Canada.

The member keeps calling out to me to answer the question. The question I think he put to me is how will we enforce it. Let me assure the member we will enforce it. We believe in it, and this government is not about to make legislation it cannot enforce.

[*Translation*]

Mr. Osvaldo Nunez (Bourassa, BQ): Madam Speaker, I do not share the views expressed by the member for Guelph—Wellington. I think that this bill tends to add fuel to a climate of hostility and even panic among immigrant communities in Canada.

This morning, I received a call from Toronto's Latin American community. Several Argentinians have been detained. They are in a jail near the airport. Children have been taken out of school to be deported. People do not want to go to Our Lady of Guadaloupe, a Latin American church in Toronto, because they are afraid of being arrested. They are not criminals.

I will tell you about the case of Taramatie Seeratan Kamsubhag, a woman from Trinidad and Tobago. She will be deported in the next few days but her husband, who assaulted her, will stay here because he is remarried to a Canadian woman, and has thus acquired permananent resident status. Is this the kind of tolerance toward immigrants and refugees that the Liberal Party of Canada is talking about?

In September 1993, in Montreal, the Deputy Prime Minister promised that no female victim of violence would be deported if the Liberals were elected. Fourteen women are being deported. What are you doing to prevent these women from being unjustifiably deported? I repeat, they are not criminals. These women have children, some of whom were born here in Canada, and they are now being deported.

[*English*]

Mrs. Chamberlain: Madam Speaker, the member is bringing up specific cases. It is most difficult to comment on particular cases when I do not know the facts about those cases, but first I would say we have the fairest system in the world.

Mr. White (Fraser Valley West): The most liberal system in the world.

Mrs. Chamberlain: You are right, it is a liberal system. You are absolutely right and we are proud of it.

The second point is the fact our ministers are prepared to examine individual cases, and will act on those individual cases. We have to have trust and faith in the process if we put the right legislation in place. Bill C–44 will speak to the abuses in the system.

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Madam Speaker, it is now February 7 and the Liberals have been in power since October 26, 1993. There are existing provisions in the Immigration Act dealing with refugees and the enforcement of these provisions to deal with people who come into Canada and commit crimes, and people who come into Canada through the use of devious means. These provisions have been in existence since the Liberals were elected in 1993. The Liberal member for Guelph—Wellington is saying to us and to the Canadian people: "Now that we have Bill C–44, now that we are going to get this bill passed"—they have the numbers, unfortunately—"we are going to start to deal with this thing".

• (1200)

My colleague from Calgary Northeast asked the question: "Why aren't you using the existing provisions of the Immigration Act, existing provisions that are already in force?" That is the question Canadians have been asking for the last year and one–half. We see these criminals running around our country laughing at our laws, laughing at the fact that the immigration department is powerless and have no people on the front lines to enforce the act.

This is a haven for criminals who cannot get along in their own countries. They come to Canada because they know that governments like this current Liberal government support this bleeding heart, liberalized legislation.

Mrs. Chamberlain: Madam Speaker, I am shocked. It is easy to stand up and refute everything. That is the basis they start from across the way. The reality is looking at what the bill does. The hon. member asked why we do not use the laws we have. We are, but we are also improving them. There is nothing wrong with improvement.

The world goes on and the world changes. As it does the government will look at each individual case, as the Bloc member mentioned. It will also continue to pass legislation that will address current concerns that my constituents have talked about.

I am sure the member from the Reform Party has had constituents asking him about some of these various things. Can the member say to me that his constituents would not be happy to see any refugee that has had two summary convictions not allowed in Canada? Would the member say that if a refugee claimant has committed a serious crime, he should not be denied access to Canada? These are things that I am sure this member's constituents want too.

Mr. Randy White (Fraser Valley West, Ref.): Madam Speaker, it is really a pleasure to talk to this bill today. I like the way the Liberals take credit for all of this immigration change we are talking about. As we have said, the majority of these changes have already been enacted. However, any change that has moved the government off its position has come from our critic from Calgary Northeast. He should be congratulated.

The folks over there have not gone far enough. I am going to talk from personal experience, from my time in immigration hearings and refugee board hearings out of necessity and out of requests from people in my constituency. They are requests from victims. That is who we are talking about.

I really take exception when the Liberal government starts talking about the vast majority of people saying that we are only talking about a very small minority. That is true, but it is not a small minority when we count all the victims that lie in the wake of some of these creeps it is allowing in.

Let us make one thing very clear and concise on this whole issue. It really does not matter what all of the rules are from the day a person comes into the country until he or she leaves the country. What really matters is whether they can leave the country on demand from Canada. That is where the fault lies with the philosophy that is expounded over there. I am going to demonstrate that with letters I have from the minister.

One might ask: "Is there not something that will work in the bill?" That may be. There may be some things that work in some aspects of these changes. The Liberals have had an opportunity until now to undertake the actions that are outlined in the act. They have not taken them. In many cases they will not get these people out even if they say they are going to deport them.

• (1205)

I discussed a recent case with immigration officials who, by the way are very frustrated at the inaction of this government. They say that Bill C–44 will not work. People on the task forces talk to us rather than these people because they know that at least we understand what the position is.

What about the 10 Vietnamese fellows arrested and on deportation orders by a task force? All have been released because they could not get travel documents. A travel document is necessary if we are to send these people back to Vietnam. If Vietnam is not going to take them back, then they do not go.

What happened? They brought these 10 scum in off the streets and then let them out again. These Vietnamese are walking around Vancouver. If the Liberals think we like these kinds of people, let us talk about the young man who shot a kid in the face in Vancouver; another one who has been charged with sexual assault with a weapon; another one B and Es and is a member of a gang; another one has robbery, assault, trafficking times four in heroin. He is out on the streets again. Another one who must have been his buddy has trafficking times four in heroin. They probably have a company going.

Liberal members are talking about all of the rules up to the point of getting them out of our country. However when it comes time to boot them out they let them out on the streets because they cannot get a travel warrant. That is not addressed in Bill C–44.

There was another fellow I was contacted about by immigration. This guy was ordered deported. He lost his deportation appeal. He cannot get a travel warrant. They have been trying for a travel warrant since September 1993. They cannot get him out of the country no matter what rules we are applying in Bill C–44. He must be a harmless guy. Why not let him out on the streets? They did. In 1990 he had a sexual assault conviction. He has two

outstanding criminal charges. He ripped up a government office in British Columbia and he is on welfare.

The Liberal government sanctimoniously talks about how well it is doing and how it is going to get these people out of the country. It is false. It is all rhetoric. It is rhetoric like half a dozen other bills it has put through the House. We are sick and tired of it.

I wrote to the minister in July. When he announced the task force to move these people out I suggested to him that since he has this task force and he is trying to oust these animals, why could I not give him some names to put on his list, the list that he said he had. I did. I gave him the name, José Salinas Mendoza, from my area. The minister stood up in the House and said: "That's an isolated case. You are making the whole system look bad because of José Salinas Mendoza". He has only 12 criminal convictions.

I gave him another name, another isolated case in my community, Karel Kral. I talked a bit about good old Karel who has been in this country for 17 years, 14 of which he has been behind bars for so many convictions we lost count.

Then I wrote the minister a letter about Charles Dennis Martin who has only been ordered deported and escorted out of Canada nine times. Wow, what a track record the government has.

I received a letter back from the minister which stated: "While I appreciate your interest in these matters, the Privacy Act prohibits the release of information on our clients". They are clients. Because of the Privacy Act I cannot find anything out about these guys.

• (1210)

I said: "Gee, am I exempted?" "Oh yes, except to members of Parliament and Senators who are seeking to assist the client in solving the problem". I am not the least bit interested in assisting the client to solve a problem. I am really interested in getting some of these creeps out of the country, which is directly opposite to what the government is attempting to do.

"In the case of Karel Kral" the minister says, "you state that he is currently awaiting trial on a sexual assault charge. The conclusion of the criminal proceedings and the serving of any prison sentence supersedes any action by immigration officials". I am going to get back to that in a minute.

Lots of problems have not been addressed. In this bill the government has not addressed removing these people from our country. It has not addressed the major understaffing at our borders with our enforcement people, at detention centres. If members took the time to talk to their own employees in immigration and on these task forces they would tell them so.

The immigration officers do not really have the authority of arrest of the police. You would expect them to go to approach some of these creeps, heroin and narcotics dealers. Some of them are murderers. Does you expect them to go to them and say: "I am from immigration. How would you like to be arrested today? Do not use the Uzi in your back pocket".

They have to be given some authority. They have been asking for this and they have been denied it. The Liberals have in no way addressed those inept individuals on parole boards and on the refugee boards. I am going to talk about a few of those.

Actually the member did address one, Marcelle Brisson, who actually gave a decision in 15 minutes on Bounjan Inthavong who I am going to talk about. The member addressed her all right. She got another three year agreement to stay on. None of that is addressed in here. That is what really counts. That is the meat of the issue. The government is not addressing what is important.

Let us talk about my three favourite buddies in my riding. What an interesting chap is Karel Kral. He has been in this country for 17 years. Why would I bother addressing Karel as a refugee, as an immigrant, whichever he came in on. I am not sure of that. Why would I bother?

He has been in and out of prison for 14 years of that time, not at one time. He has so many records against him that it is a real shame. I was asked by Joan to give her some moral support, go to the sentencing, go to the court case and see what goes on with good old Karel.

Karel sexually assaulted Joan in my riding. Joan is 63 years old and good old Karel attacked her with a needle full of cocaine. He got his due, did he not? He was sent up for four years. He is getting out after the sentence. He was sentenced in November. He will be out on an unescorted day pass in May.

I was told that the privacy laws prohibit me from getting his record. Fortunately we have some responsible people within the system who got me the record anyway.

An hon. member: The Liberals would fire those guys.

Mr. White (Fraser Valley West): Yes, Liberals fire people like that. We thank them.

In the sentencing the judge says this. This is a first. "In view of the elite circumstances surrounding this offence and the reasonable and realistic fears of the victim relating to possible actions of the accused upon his release, deportation be effective prior to the accused's release from prison to protect this and any other victim".

That really does not happen in the courts today and we made the point of saying: "We have to get this guy out". He actually had deportation orders twice before he sexually assaulted Joan. That is kind of sad.

• (1215)

A letter from Joan to the hon. minister says that she was the assault victim. Let me give a couple of words from her letter: "He has a long criminal record and has spent 14 of his past 22 years or so behind bars in Canada". It was 22 years. "As a taxpayer I find this intolerable. Many years ago I became a landed immigrant in the United States in order to be able to work there while my husband was attending university. I can recall that the American immigration authorities made it abundantly clear to us that if either of us committed a criminal act or became a charge on the state in any way we would be immediately deported".

What does that say for Canada? What does that say for Bill C–44?

Joan wrote again to the minister: "I have not had any response to my letter of September 30". That is not all that uncommon. "One statement your assistant made struck me as being quite absurd. I asked her what Canada's position would be vis–à–vis the Czech republic if the Czechs refused to take back Mr. Kral. In other words, how does Canada retaliate? Your assistant said that she could not answer that and that I should call the foreign office. I said surely your department is in touch with the foreign office on this matter, and she indicated that she could not answer this".

By the way, she said in her letter: "Mr. Kral's GST refund cheque came back to our address recently. Is he allowed to receive this while he is in prison?". Just ask this group across the way.

There is a letter here from the minister which reads: "The Hon. Sergio Marchi, Minister of Citizenship and Immigration, asked that I respond to your transmissions of September and October. While we appreciate your interest in this matter Canada's Privacy Act prohibits us from releasing information on an individual's case without his or her written consent".

Can you imagine good old Kral saying "Give it to them. They want to move me out of the country".

The letter continued: "As a result I am unable to discuss the details of Mr. Kral's situation, other than to confirm that he was made the subject of a deportation order some time ago and to say that the order will be carried out in due course".

That is a load of hogwash because it has not been done.

I wrote to the chief crown prosecutor because I was trying to find out what Kral was all about, to see how bad he was. I wrote to her, Wendy Young, and I said that I found it incomprehensible that an MP is not allowed access to the public decisions of our country's courts and that neither her office nor the RCMP nor the Matsqui police would provide the criminal record of Mr. Kral.

The answer was predictable: "The disclosure of criminal records is governed by either the provincial Freedom of Information and Protection of Privacy Act or the federal Privacy Act which limit the circumstances in which such records can be disclosed and provided for the method of making requests for such information. It would be a breach of law to furnish you with Mr. Kral's record".

It is really interesting how on the one hand they come up with all of these nice rules to remove people but in the final analysis they are not going to do it.

I got a letter from the manager of hearings and appeals. I do not think this was the guy who was promoted, since he bungled up José Mendoza's problem, but it is one of them. The letter read: "As you have observed, Mr. Kral was ordered deported on March 29, 1994 as a consequence of a lengthy criminal record. We intend to remove Mr. Kral to the country of his formal nationality as soon as possible. However", and this is the critical aspect, "he must first obtain a travel document". We will not get that because Czechoslovakia will say: "Why do we want this guy back? You keep him". All of the frills up front on this thing are just rhetoric. You know it will not work and the minister knows it will not work.

• (1220)

Let us talk about Inthavong Bounjan. This fellow came to us from Thailand at the age of 14 as a landed immigrant. He has not had a bad record, mischief, theft under $1,000, assault with a weapon, failure to comply with a disposition as a young offender. I believe he is 23 now.

Good old Inthavong at a shopping centre beat young Kirby Martin over the head with a bat in front of 100 witnesses until he was laying on the street.

This guy was supposed to get five years. He got out in less than three. He is on the streets. He had a deportation order. The deportation was appealed. The appeal took two years. He has been on the streets all that time. To protect him from getting deported his legal aid lawyer went to the refugee board. The incompetence on that board gave him refugee status in 50 minutes. That was used in his favour in the deportation appeal. We asked for a fast decision on it, but of course it has not come yet.

He must be a good guy. He was actually chumming, he said, with the countess group. The countess group is a gang. It is not a group. When asked what he does with the countess group at night he said they sit around, talk and have coffee. I would say in someone else's house after they broke down the door and ripped the furniture apart.

This is what you are keeping in this country. You are not going to remove these people. That is the fallacy in Bill C–44. You know it and we know it. All of the stuff in between counts for nothing.

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration, Lib.): Madam Speaker, yesterday when you were in the Chair it was incumbent upon me to explain due process. Today I guess it is going to be incumbent upon me to explain some of the amendments to the bill.

The hon. member opposite talked about unescorted day passes in his speech. With the greatest of respect I would like to let him know that there is an amendment, which I presume he has read, preventing the release on day parole and unescorted temporary absences of inmates who have been ordered removed and who are the subject of an immigration detention order pending their removal from Canada. That seeks to minimize the risk of escape so as to ensure that criminals will be deported at the end of their sentences.

There are a number of things that the member has brought to our attention here this morning that have been problems in a very small but nonetheless serious number of cases. It is a big country guys.

At this point I can only say to the empty barrels on the other side that what they really need to do is read the bill. I find it very interesting that the hon. member who just spoke did not know about the amendment to clause 20 which changes the day parole problem.

I wonder if thus there are other things in the bill that the hon. member has not read and therefore does not support. Certainly his party is not supporting this. I would like to echo the words of the member for Guelph—Wellington who said she was pretty sure that there were members on the other side who had constituents who would support this bill very strongly.

I would like to ask the hon. member a question and he certainly will have a chance to respond. I wonder if the hon. member has read the 11 amendments which came through at report stage and if he has read the bill.

• (1225)

Mr. White (Fraser Valley West): Madam Speaker, I have read the bill. I suspect I know it as well or better than the hon. member. I suspect I have a little more experience at some of the creepy crawlers in our country.

What is wrong here is that if they will not enforce these laws then nothing matters. I would like one of these people across the way to address whether they will have travel documents or travel warrants to remove these people because everything else in between is really a bit of waste now, is it not, if we cannot get them out. They know darn well they cannot remove them.

We know with the experience of the front row here already, with the failures in the fisheries department, with the failures of the human resources programs, with the failures of public works building the $3 million tunnel down the road, all of these failures here, there is no exception with the minister of immigration. This is rhetoric. People out there who believe that they are actually doing good in immigration are getting the blindfolds put over them again. This is rhetoric. You not have one clue how to effect deportation—

The Acting Speaker (Mrs. Maheu): Order, order. I am sorry to interrupt the hon. member. Would you please address your comments through the Chair.

Mr. White (Fraser Valley West): Madam Speaker, through you to them, in three years from now when the hon. member for Calgary Northeast is immigration minister we will work out the flaws in Bill C–44. We will have to balance the books too but that is okay. We will have to fix up the problems in HRD that they have now blown out the door. However, the important part here is we will effect deportation, they will not. Regardless of all the rules they put in they will not effect deportation, mark our words and read our lips.

[*Translation*]

Mr. Osvaldo Nunez (Bourassa, BQ): Madam Speaker, I would like to make a preliminary comment. We are told that there are several Canadian criminals abroad, especially in Latin America, an area that I know quite well. There are Canadians in jail in Brazil, Peru, Colombia, Venezuela, Costa Rica. Would you like them to be treated the way you want to treat foreigners in this country? I do not think so. However, what I observed in Latin America is that all Canadians are welcome. The fact that a small number of Canadians are occasionally involved in drug trafficking does not reflect on the way other Canadians are treated. People make a clear distinction between this small group and the vast majority of Canadians.

Here is my question: Yesterday, the hon. member, who is immigration and citizenship critic for the Reform Party, said that we must reduce immigration to solve this problem. By extrapolating this simplistic reasoning, we could say that if we did away completely with immigration we would no longer have any foreign criminals. However, it is impossible.

How do you explain that last year you were asking for a maximum of 250,000 immigrants, this year 200,000 and in the future even less? Considering that the birth rate is very low in Canada, what are you going to do? How are you going to cope with an aging population, a very serious situation in Canada and all industrialized countries? How are you going to fulfil Canada's international obligations in the area of political asylum? Canada signed a convention. Do you think that we can refuse to receive refugees in order to do away with immigration or criminality problems? How are you going to solve the problem? Are you going to keep on lowering the number of immigrants you accept, while the birth rate continues to go down? In the next century, our population will start to decrease if we no longer accept immigrants. How are you going to solve that problem?

• (1230)

[*English*]

Mr. White (Fraser Valley West): Madam Speaker, it is ironic that comes from one of the separatists from Quebec. I am not too sure whether the proportionate share of immigrants and refugees is quite received in Quebec as it is elsewhere.

We said that we should reduce the level of immigration. We acknowledge there is a need for immigration but we do not acknowledge the high levels. We acknowledge the need for genuine refugees on a humanitarian basis. That is not what this discussion is about.

Regardless of how many people come into the country, a proportion will be criminals. We acknowledge that, We know that of the citizens within this country a certain number are criminals. There is no question about that. We have to acknowledge that those people coming in who do not abide by the laws, who terrorize innocent victims in Canada should not be allowed to stay. That is what C–44 is trying to address.

My whole theme on this discussion is the fact that we cannot necessarily get travel warrants to remove them from the country. The minister told me that yesterday. Therefore what is being put into C–44 and what is actually going to be achieved at the end are two different things.

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Madam Speaker, I did read the hon. member's lips when he was debating this topic. I heard from those lips the words "these animals".

I have been in this House for 11 years now but I have not heard any member refer to a group of people as "these animals". They may have committed crimes, some very serious, but they are still people. They are still human beings. They are not animals.

I did not raise this on a point of order because I think the table will find it is parliamentary and acceptable language. However I am giving the hon. member this opportunity to withdraw the words "these animals".

Mr. White (Fraser Valley West): Madam Speaker, my reference was clearly to some of these people trafficking times four in heroine, robbery, assault, sexual assault, rape. I cannot refer in a kind way to a person like José Salinas Mendoza who had 12 criminal convictions, one a sexual assault of a young lady and another sexual assault charge where he got out of the country, in the trunk of his car I presume. I cannot refer to that person as a nice individual. How would the hon. member like me to refer to him?

Ms. Clancy: People.

Mr. White (Fraser Valley West): I do not think the victims would agree.

Ms. Maria Minna (Beaches—Woodbine, Lib.): Madam Speaker, I am most pleased to speak on Bill C–44 now before the House.

All of us have heard countless stories of successful immigrants to Canada. As representatives of the Canadian people we know in each of our ridings the stories of people who have chosen Canada.

Even before there was a Canada, waves of immigrants, many penniless, swept ashore to scratch out a life in this new country full of promise. Thousands were escaping famine, grinding poverty, religious persecution and other horrors too awful to mention.

Today despite the progress the world has made, immigrants still wash up on our shores escaping the same horrors, the same persecutions and the same unimaginable poverty. Some still climb blinking and stunned into the sunshine of a Canadian dockside after a perilous trip by ship. More step fearfully off an aircraft at one of our airports.

However, each immigrant has the same questions and the same fears as the immigrants of 150, 200 or even 50 years ago had: Will this country allow me to live here? Can I work to make a better life for my family in this place?

• (1235)

This bill marks a progression in the approach of this government and this country in the respect we accord people from around the world who come here. It also marks a step forward in the way we see Canada's role as a protector of individuals who are refugees from oppression.

The reasons for this improvement are numerous. They are not comforting reasons at first glance, but when we take away the rhetoric and the posturing the reasons for this progression are abundantly clear.

Since the very first immigrants came to this country a very minuscule number of newcomers have entered this country as criminals, liars, thieves, murderers and opportunists who seek to prey upon newcomers and citizens alike. One would suspect that even the earliest Vikings who settled and explored this land had their share of people with less than honourable intentions.

It is an immutable law of the human condition that there has always been and will always be those who are bad people. It is also an immutable law of the human condition that the vast majority of immigrants to any country are hard working, honest, loyal and very grateful to the country that opened its doors and its heart to the newcomer.

This is true of Canada. It has been true in the past. It will continue to be true in the future. However, we have before us a collection of amendments to the Immigration Act that seek to change Canada's response to this law of the human condition.

Bill C–44 may become very popular with the racist element of this country. Some may point to this bill as proof that all immigrants are crooks and dangerous to this country but they are wrong.

Bill C–44 is designed to honour the hard working immigrants to this country. Immigrant gangs and criminals grab more headlines and take up more air time than stories about immigrants who have contributed to the growth of Canada. As a result, the public has a false perception of our immigrant community.

Statistically, new Canadians are less of a burden on the public purse than natural born Canadians. They are less likely to commit crimes, steal, cheat, rob and murder, and they only want that which our own forebears wanted when they came to Canada: to be left in peace to make their way in this land of opportunity.

Bill C–44 promises to play a pivotal role in removing the minuscule percentage of the immigrant population who seek to steal, deal, intimidate, extort, rob, injure and even murder.

This may seem like using the heavy hand of legislation to solve a small problem, putting out a candle on a birthday cake with a fire hose if you like. However, the confidence of the Canadian people in our immigration system has been dealt many sensational and disheartening blows through the evil actions of a very few. Therefore, we will make it easier for all of us, descendants of immigrants, old immigrants and relative newcomers, to remove the bad apples from our country. We will do this with the provisions of Bill C–44 and the Immigration Act.

These conditions will demonstrate to Canadians that we will act vigorously with the full force of the law. The naysayers will have no response. Canadians of all walks of life will continue to respond generously to newcomers, secure in the knowledge that the new Canadian down the street, across the hall or in the next seat on the bus is a person worthy of the privilege of Canadian citizenship.

Canadians have demanded that their immigration and refugee systems not only be fair and effective but efficient and well managed. Bill C–44 represents a careful, reasoned approach to the principles of fairness and tolerance with the balance of the respect of the rule of law.

Bill C–44 closes loopholes that unscrupulous people have exploited. It gives the enforcement authorities the means to remove the thugs who would abuse our society, abuse our people and dishonour the name of new Canadians everywhere.

At the same time, we will honour the millions of new Canadians who over the years have built this country. We will honour our ancestors by forcing those who choose lawlessness to pay for their actions.

We will not open our doors and hearts to those who have little interest in contributing to our country's society in a positive way. We will not open our doors and hearts to those who seek to manipulate and pervert the refugee system.

We will do this because our newcomers deserve no less from us than that we as people of Canada expect of ourselves.

• (1240)

Canada does not tolerate lawlessness. That is our collective word. We will demonstrate that our sentiment about freedom, rights, tolerance, openness, and generosity are not merely words but ironclad pillars of character.

In closing, Bill C–44 is not about punishment. It is about standing by our word. It is about delivering on the promises that every Canadian and every immigrant to this country has ever made. We owe our new Canadians no less than we owe ourselves.

[*Translation*]

Mr. Osvaldo Nunez (Bourassa, BQ): Madam Speaker, I listened very carefully to the speech of my colleague. I agree with several paragraphs in that speech, but the problem is in reconciling a compassionate speech with a bill that is not compassionate at all. It is very regressive and unworthy of a democratic society such as Canada.

Unfortunately, my colleague did not take part in the meetings of the Standing Committee on Citizenship and Immigration. She would have been able to hear testimonies of people coming from Ontario, Quebec or other provinces. They all criticized this bill very severely. Some even asked for its withdrawal; they were lawyers, legal experts and even members of the Canadian Ethnocultural Council, that is of ethnic communities in Canada. Not a single ethnic community came to say: Yes, we agree with this bill; go ahead with it. They all said no or showed a great reluctance toward the bill.

For instance, someone who has lived here for 40 or 50 years, who is still a permanent resident and has never become a Canadian citizen will be able to be deported because they have committed a crime punishable by 10 years or more. In fact, they were only sentenced to two years in prison or a fine or a probation period. The bill will allow these inequities.

There are people who came to Canada at a very young age, children who never became Canadian citizens for whatever reason. They could be deported, yet they are the product of this society. They were educated here. They were influenced by this society.

These inequities will be allowed if this bill is passed. I would ask my colleague to give us her response on that.

[*English*]

Ms. Minna: Madam Speaker, it is important to point out that the bill is not dealing with people who have come to this country and have abided by the laws of this country, have respected the laws of this country and have tried to become productive

citizens of this country. It is talking to people who have tried to subvert the system in one way or another.

The hon. member mentioned an area on which I must say I agree and on which I have some concerns myself, that is, those individuals who have come here at a young age. To me, they are the product of our society and that is an area we must address and look at. That is an area I have had some difficulty with for some time because young people who come here at the age of four or five or whatever the age—I came here myself at the age of nine—once they have been here for 20 or 30 years they are products of our society. We need to take responsibility for that.

Apart from that, the rest deals very effectively with the problem that we have with people who come in and out of this country. Some of them have been deported and have come back in again and we do not even know they are in the country. We need to address those kinds of problems and make sure that once and for all individuals who refuse to abide by Canadian laws and who do not respect Canadian citizens are not allowed to stay in this country.

I do not see that as being draconian or unacceptable. It is the normal way any society should proceed. It should make sure that those immigrants who come into this country who are law abiding, who come here to improve their lives and to participate in and contribute to Canadian society are freed from the oppression sometimes that these individuals put on them in their own communities.

The bill speaks very clearly to this issue. It is important to make sure that when a country has open doors and open hearts the way we have that we also deal with the reality of some of the bad apples that do come in. They are a very small minority. I do not ascribe what the Reform Party has been doing over the past six months where we seem to be looking at the immigrant criminal of the day every single day. We need to deal with the issue, so let us get on with it.

• (1245)

Mr. Grant Hill (Macleod, Ref.): Madam Speaker, I appreciate the opportunity to address this bill.

I find myself in an interesting position on this bill as I am Canadian born and raised and obviously a white male. I think one would say I am probably not the individual who might be the most experienced on an immigration bill, even though members of my own family came to this country as immigrants and settled in a rural location. They went through bankruptcy, drought and picked themselves up and success ensued.

Since I recognize my own inadequacies in this area and stand here as someone who was raised in Canada and has not experienced the hardship of immigration, I asked immigrants for their advice and help so I could better understand their circumstances.

Since I have been in Ottawa the immigrants I have been able to query the best and get the best advice from are the taxi drivers. I would like to title my little discourse here today as, "taxi tales". I have talked with taxi drivers from a number of different countries such as Lebanon, Iran and Afghanistan in the last week.

The member opposite says they are Canadians. They are recent, hard working immigrants. They are individuals whose opinions I value, although it is possible the member opposite would not.

I speak with them and ask their opinion of Canada as a place for immigrants to come. They speak glowingly of Canada. They speak of Canada as a place they value that gives them opportunities they did not have in their home countries. They speak of opportunities to work hard to advance and improve their lot, and give their children the opportunity to improve and use the educational opportunities Canada provides.

As recent immigrants to Canada, they tell me there are problems with our immigration system. I would ask members opposite to listen to what they say and not to what I say. As I have already said, I have not had those personal experiences.

A young man from Iran told me he came to Canada to work and he immediately looked for a job. He was told not to worry too much about finding a job because he could collect welfare. He said he did not come to Canada to collect welfare, but to find work immediately. He thinks Canadians are very foolish to very visibly offer the opportunity to go on welfare as soon as immigrants arrive here.

A fellow from Afghanistan who left a country in turmoil told me immigration must be acceptable to Canadians or immigration will fail. He made comments about those individuals breaking the rules who Bill C–44 is trying to go after.

Yesterday the minister said Canada wants to keep the porch light on. I agree. The porch light for immigration should be glowing bright and attracting immigrants to our country.

Bill C–44 is going after a very small group of people in our society. It is going after those individuals who have broken the rules.

• (1250)

Reformers say over and over again the whole premise of Bill C–44 will break down unless we have the ability to hold back those individuals coming in who are known criminals, or remove them if they have committed crimes. I am trying to say in the most reasoned way I can if we cannot deport it is no good to have a deportation order. If we cannot send those individuals

home there is no point in putting a flag up and saying deportation will happen.

Bill C–44 says a person who commits a serious crime will be deported after he or she is sentenced, but I say good luck. I have watched the task force the minister set up for this very purpose. He identified some 1,800 serious criminals in Canada who had deportation orders and his task force was designed to pursue and remove those individuals. The information I have is that 30 people have been deported from Canada through that task force. These criminals have not done insignificant crimes; they have committed major crimes.

Who do they seem to be able to deport? In my own riding a woman from the Philippines came here and married a Canadian farmer. Before she was able to process her documents to become a Canadian the farmer died. Because she did not understand and could not speak English very well she went over the time limit to report her husband's demise. She was deported. A self–supporting, law abiding, clean living, perfect immigrant was sent down the road back home. What do we do with those individuals who slit people from stem to stern? We cannot get a travel document so we keep them in Canada. Bill C–44 does not do what it was intended to do.

We say literature that could be used by individuals trying to stay in Canada inappropriately will be intercepted at the border. I say fat chance. One of my confreres went to the border not so long ago and sat with the border guards. He had not sat there very long when he saw seven transport trucks go by without stopping at the border. He asked why they had not stopped and was told the guards take down their licence numbers and put them into the computer because they do not have the people to enforce Canadian laws. So now we are going to intercept literature at the border and stop these inappropriate passports. I say fat chance.

We are going to prevent day parole. I listened to a member opposite say day parole for criminals would no longer be possible. That is a good step, but at the end of their sentences what do we do with them? We put them back out on the street. We cannot get travel documents.

Has anybody figured out we should be paying more attention to getting travel documents for deported criminals rather than looking for other rules to put another bunch of deportees on our streets? We line them up one after another and end up with thousands more who cannot be deported. Does anybody think it would be more sensible to find travel documents? It is a simple solution. We have had lots of discussion on this topic and I do not think it is being heard.

I want to turn the focus a little. Reformers say it will not work if we continue to have an overflow of these individuals who should be deported. We think there should be a mechanism to actually deport if they are deportable. But at the other end with the open tap, what are we doing in our country? I want to switch focus by saying we are bringing in another group of individuals as immigrants and refugees who I do not think should come to Canada.

• (1255)

One example comes from a recent CBC radio article and involves a lesbian woman from Costa Rica whose sole reason for admission to Canada is the fact she is gay. I am sure Canadians sitting in lines waiting for social services would be interested in knowing that is one of the criteria that allows an individual to come into Canada as a refugee. She was being discriminated against in Costa Rica because of her sexual preference.

Another example is an HIV positive Polish refugee who is 25 years of age. His reason for admission into Canada was that he was being persecuted because of this HIV positive status. He was present in Canada for three years and living in Montreal on welfare of $670 per month. He could not work initially because his English was not up to par. His health now prevents him from working and he has no incentive to work. He does not feel good enough. His drug costs of $200 per month are free because he is on welfare.

I went over the transcript of why he came to Canada. "So you came here mostly to get proper medical care?" "Yes, quite right. In Canada they have proper medicine available ". "Do you think a lot of Canadians or many Canadians hearing your story might be angry? What would you say to Canadians who would say, 'Why should we have to pay through our taxes for the medical care of all the people in the world who are HIV positive and come from countries where the health system is not prepared or equipped to deal with these cases?" The answer was: "It is a serious problem".

I thought this must be a very unusual case. Surely we cannot be accepting HIV positive people into Canada with that as the criteria. Surely that cannot not be true. I found out that one refugee advocate has had 30 cases exactly like this in the last two years. Three quarters of them were allowed to come into Canada.

What do the Canadian people think when they line up for our social services? What do the students in Canada think when they line up and cannot get into university? What do the individuals here think who have HIV positive problems and line up unable to access services? Do they think we should take on all the problems of the other countries of this world?

The member for Calgary Northeast put a bill in front of this House not so long ago suggesting HIV positivity would disallow admission to Canada along with tuberculosis, parasites, leprosy and the other reasons we say people should not come into Canada if it would add to our Canadian medical burdens. What happened to that bill? It was shot down in flames by the two

other parties in this House who told their constituents we have lots of resources in Canada so we can accept these people.

I am sorry. We should look after our own people first. As our resources shrink and we cannot look after our own, these individuals opposite will have to face that music.

Immigration is good for Canada when immigrants are skilled and able to converse and fit into our Canadian job situation quickly. When refugees come along we treat them with all the compassion we can muster.

• (1300)

Numbers must be flexible. Immigration cannot be static. When our economy does wonderfully well, the immigration numbers should rise. When our economy is struggling, immigration numbers should fall. Members who ask the taxi drivers who are recent immigrants those questions will hear them say: "I agree". I challenge them to do that. Talk to the recent immigrants. Ask them that question.

Members of the Bloc say they disagree with this bill on the other end of the scale and I say we have a great lesson to learn from those Quebec members.

Quebec has taken immigration and put it into a much clearer frame of reference than the rest of Canada has. Quebec has said that immigration must have specific goals for Quebec. Interestingly enough Quebec accepts fewer immigrants than the rest of Canada does. It puts criteria on those immigrants for language ability, for employability and those criteria allow them to be far more flexible as they look at Bill C–44.

I admire what those members have done. They are right in what they have done, 100 per cent on. Not everything that Bloc members say do I agree with, but the reason they are able to say this I agree with.

I repeat that immigration is important for Canada. It is a significant improvement for Canada. Bill C–44 starts out in all the right directions. However it misses the mark completely because we cannot remove those individuals who have done wrong here. We cannot send them where they belong. It is for that reason, and I cannot say it strongly enough, that Reformers will not support this.

Mr. Jim Abbott (Kootenay East, Ref.): Madam Speaker, I was interested in the comments of my colleague just a minute ago. I want just by way of comment to expand on them a bit and then get his response.

It is rather interesting that in the last election in the wisdom of the voters of Ontario they elected 98 out of 99 members to this House from the Liberal Party, but I wonder who really speaks for the people of Ontario. The reason I ask that question and wonder why this issue has remained dormant as far as the follow–up from the members from Ontario is that with respect to what my colleague was just saying, there is federal funding to help with immigration settlement.

I am working from documents provided by the government which show that $90 million goes to the province of Quebec to help with the settlement of immigrants. There is $110 million that goes to the province of Ontario.

It is relevant to note the proposed immigration levels for 1995. In Canada the total immigrant and refugee intake is proposed to be 190,000 to 215,000 of which Quebec is only going to take 40,000. That is relatively interesting because if I divide 40,000 into 200,000 for a percentage it comes out to significantly smaller than the number that were accepted.

With respect to immigration by metro area in 1993, Toronto alone accepted 28.3 per cent of the immigrants coming to Canada which equalled 71,964 people. Why there are no Liberal members speaking up on this particular issue is beyond my comprehension. Clearly the Reform Party has to do it for them.

• (1305)

I do not really understand how they can take the figure from 1993 of Toronto accepting 71,964 immigrants and Quebec only accepting 40,000 in 1995, not quite half, and Quebec is guaranteed $90 million for the settlement of immigrants, whereas the entire province of Ontario only gets $110 million. There is obviously a lack of voice for the people of Ontario in this Chamber, particularly in the area respecting immigration.

I wonder if my colleague has any further comments he would like to give on this.

Mr. Hill (Macleod): Madam Speaker, it would be very easy to use this issue and say we could somehow be divisive about it.

I simply say that I believe those individuals from Quebec who are making the decisions are on the right track. We are talking now that there must be some benefit both to the immigrants and to Canada in immigration. In my view Quebecers have figured out that there is a balance. They have looked very specifically at what their needs are and I believe they are trying to meet those needs.

I would encourage those members opposite to think very carefully about that. Is there in fact an imbalance? I will leave that up to the colleagues on either side to think of very carefully.

[*Translation*]

Mr. Osvaldo Nunez (Bourassa, BQ): Madam Speaker, I thank my colleague for his remarks. He made a few references to the situation in Quebec. We are very proud, in Quebec, of having a Department of Cultural Communities and Immigration, something you will not find anywhere else in Canada.

I do not understand why there is no department of immigration in Ontario, with the most immigrants, or in British Columbia, the province with the most immigrants in Canada on a per capita basis.

Quebec signed agreements with the federal government and receives transfer payments, because Quebec subsidizes COFIs, which offer French courses to new arrivals and help them get settled, find work, housing and so on.

The federal government and the provinces share jurisdiction for immigration. But English speaking provinces are at fault for never taking on any responsibility for immigration. Why? The constitution is very clear on this point: the jurisdiction is shared.

Quebec is expecting 40,000 immigrants this year; 42,000, next year; 44,000 the following year, because we have the power to decide on and set our own immigration quotas. I invite people from the English speaking provinces to put pressure on their individual governments to sign agreements with the federal government. This way, some of the problems can be resolved.

Mr. Hill: Madam Speaker, Quebec's approach is the answer for everyone in Canada.

[*English*]

Mr. Clifford Lincoln (Parliamentary Secretary to Deputy Prime Minister and Minister of the Environment, Lib.): Madam Speaker, like many of us here on all sides of the House I was not born in Canada, I am an immigrant myself. Many of us here are immigrants. I think it would be fair to say that immigration has provided Canada with many blessings.

The collective contribution of immigrants to Canada has been immense. We have built our farms, we have built our cities, we have built our quality of life, we have built our railways on the work, on the toil and on the immense sacrifices of the immigrant community.

We have to recognize that immigration has been to us a great benefit, a blessing. At the same time, we must live in the reality of our world today. I was interested in listening to my colleague from Bourassa. I must commend him for the way in which he approached the debate in measured tones and a constructive spirit. I appreciate this.

• (1310)

The hon. member says that we are going far too far, that the government's legislation is very regressive. On the other side of the House colleagues from the Reform Party are saying that the government has not gone far enough, that this legislation will not serve its purpose.

We stand in the middle of what may be two positions at either end of the spectrum. We say that today the reality in Canada is that a tiny minority—I think we all agree it is a tiny minority—abuses the system.

What we want to do is to say that if you are a legitimate immigrant, if you live by the rule book, by the law of Canada, then you are most welcome. The hospitality we give will be the hospitality that you have always received here. At the same time, if you breach our laws, if you use unfair or criminal methods to jump the queue, if you use fraudulent means to come into Canada or if when you are here you abuse the system in such a way that you prejudice the rest of us new and older immigrants and natural born Canadians, then there is a price to pay.

What this bill says in effect is that we will reward and will recognize the legitimate, the fair immigrant. At the same time we will say to the immigrants who take advantage of our system that enough is enough and they cannot do it.

Mr. Abbott: Then he will just say: "I am a refugee".

Mr. Lincoln: I gave you your chance to speak. Give me my chance to speak. Be courteous at least.

This bill wants to give certain powers to the immigration ministry and the immigration minister so that certain cases of extreme abuse are rectified.

[*Translation*]

The legislation will give the minister the power to intervene to prevent appeals against deportation where the deportee has been convicted of serious criminal offenses. The legislation will give us the authority to interrupt the process of Canadian citizenship acquisition when the applicant's claims are being investigated. This will make it possible to declare non eligible for immigration the persons convicted on summary proceedings in Canada or abroad.

[*English*]

We propose to remove the right of appeal for all persons involved in crimes of violence, involved in crimes involving weapons, sexual assault or drug offences, those crimes that have been punishable with sentences of 10 years or more. I do not think this is extreme. I do not think this is abusive.

I find it sad. I must join my seatmate here to say that I found it sad, that I felt the member for Fraser Valley West lowered the standard of debate in referring to animals, creeps and creepy crawlers.

His colleague from Macleod gave him a very good example. We can debate. We can differ. At the same time, we can use language that is measured in tone, that is constructive, that makes a point. You convince people far more readily that way than by using abusive terms such as animals, creeps and creepy crawlers. I do not think this kind of language helps the debate. It certainly does not raise the standard and it convinces very few people.

• (1315)

My hon. colleague from Kootenay East raised the question of statistics between Quebec and Ontario, whether it should be $90 million to Quebec, $110 million to Ontario, and dividing and adding and multiplying. When I listened to him in this debate I thought to myself what about human beings? What about people? People are not statistics. Human beings are not statistics.

We should all remember back to our First Nations, to our aboriginal people who have been there for thousands of years. All of us, regardless of our political stripes, regardless of the colour of our skin, regardless of our faith, regardless of whether we are young or old, are all immigrants. They have accepted us here, sometimes not willingly, but today with great calm, with great patience and fortitude.

We have to remember that all of us, whether we were born here or not, were immigrants too. We have to give a chance to the others who want to join with us. At the same time that we give them a chance we want to make it a fair game and say "Those of you who want to make a contribution, those of you who want to be true Canadians, we will help you, we will support you, we will give you all the blessing of our hospitality and welcome. At the same time, those of you who do not want to play the game, who want to abuse the system, there will be a law, a fair law to use in cases of abuse". That is the reason I support Bill C–44.

Mr. Jim Abbott (Kootenay East, Ref.): Madam Speaker, continuing with the parliamentary secretary in this debate I believe the issue is for the people, particularly of the Toronto area, who presently under the current socialist government in Ontario have seen their taxes increase very significantly. As revenue critic we are frequently bringing up the issue that probably this federal government is going to be increasing taxes. They see their municipal taxes increasing and then at the same time they see that another jurisdiction, the Quebec jurisdiction as opposed to the Ontario jurisdiction, is given approximately twice as much money for the immigration settlement.

I wonder if the parliamentary secretary might not agree that if we are attempting to create an environment in which people are not going to be hostile toward legitimate immigrants coming in—I agree with him, building Canada but I cannot help but wonder when there is this imbalance that the Liberal members from Ontario and particularly Toronto are not raising this particular issue. Would he not agree that with this imbalance, where Quebec has taken its affairs into its own hands and has said that it can afford to assimilate 40,000 people, whereas the federal government seems to be imposing much larger numbers on Ontario, particularly on the Toronto area, and the practical fact that people are seeing their dollars going further and further awry, that this is part of the reason for the hostility, some of it founded, some of it unfounded, nonetheless this does contribute to the problem.

Mr. Lincoln: Madam Speaker, the answer is very clear and simple. Are Quebecers agreed under flexible federalism, under federalism that works, that shows that it works, to share immigration duties with Canada? It provides all kinds of services to new immigrants that the federal government transfers money for.

It is perfectly legitimate. If tomorrow Ontario chose to do the same and take over a lot of these duties that would be worth compensation.

• (1320)

I think this is really fair under the system of federalism. If there is one example that is so clear of federalism at its best, it is the immigration system which is in use in Quebec.

Mr. Art Hanger (Calgary Northeast, Ref.): Madam Speaker, I wanted to address the matter to this member regarding the difference between Quebec and the rest of Canada as far as immigration policy is concerned.

Reform has been saying for some time that all we want is a similar type of agreement for the rest of Canada as what Quebec now enjoys and really prospers under. That is the only thing we are saying. Quebec's numbers and levels are very satisfactory given the economic situation of the country. Quebec also cited for low immigration levels, the reason it had decided to go lower on its immigration levels, was economic problems within the province.

Does the member not think there is an economic problem in the rest of Canada too when he sort of favours the view that Quebec has taken on this immigration debate? It really is not part of the debate. It already has the matter settled in its own province.

The member basically accuses Reform of belittling the parliamentary process by so–called name calling and the like in the immigration debate. The Parliamentary Secretary to the Minister of Citizenship and Immigration has been much more cutting in her viewpoints of Reform and the position we have had. This parliamentary secretary has said absolutely nothing.

I would suggest the parliamentary secretary look to his own party and perhaps attempt to assist it in being more diplomatic in its viewpoints.

Mr. Lincoln: Madam Speaker, very briefly, I have never liked to wear Paris hats, Quebec versus Ontario, Ontario versus British Columbia. I have never been that kind of person. I am a Canadian. I believe in the Canadian state.

At the same time, fair is fair. The immigration system as it is today allows all the provinces to enter the same kinds of agreements that Quebec has entered.

There are negotiations going on now with other provinces. If a province wants to take over the immigration there are negotiations going on now with the provinces. To introduce Quebec and this other debate is not very constructive. I will not get into this game at all.

It is important to make sure that people always come first, regardless of whether they immigrate to British Columbia, Newfoundland, Quebec or Ontario.

With regard to the tone of the debate I will mention what I heard today. I heard one member speak about animals, about creeps, about creepy crawlers and I said that does not raise the tone of the debate. That detracts from it and that really makes it very unfortunate because it does not convince anybody. That is all I said.

[*Translation*]

Mr. Osvaldo Nunez (Bourassa, BQ): Madam Speaker, I would like to thank the member for Lachine—Lac–Saint–Louis for his speech. I think it was a good speech, although I do not agree with its substance. As he stated, he is a Canadian federalist and I am a sovereignist.

Nevertheless, I should like to pay tribute to the English speaking community in Quebec for its interest, support and financial contributions in the areas of immigration and refugees, especially the Jewish community, which is heavily involved with refugee matters in Montreal and other cities. Having experienced hardship, I believe they never forget it, just as I never lose sight of my immigrant origin.

But I would put the following matter to my fellow member. It is difficult to accept that in regard to international mail, for example, an immigration officer may open and seize international mail if he believes that it may contain identity papers or passports which might be used for fraudulent purposes.

• (1325)

To my knowledge, no democratic country in the world gives civil servants the authority to open mail. It is always up to the judge to do so once reasonable grounds have been established to believe that a crime has been committed or is in the process of being committed.

The other part of my question pertains to senior immigration officers who are entrusted with several new powers. Immigration officers will for instance be authorized to issue warrants for arrest. In all democratic societies, a judge would normally do this, but this bill allows it. What do you say to that?

Mr. Lincoln: Madam Speaker, unlike my hon. colleague, I did not get the chance to participate in the parliamentary committee as I am not a member. However, my colleagues who took part told me that there were numerous representations. There were representations from the Canadian Bar Association and other very credible institutions, who said that the bill was valid, that the principle of the bill was sound. This is not a stand–alone bill; it is part of a 10–year immigration reform. It must be seen as part of a whole package.

We took into account the representations made by these credible institutions and made 11 amendments. In today's context, I think that this bill makes sense. There will be a debate here in this House and I think that the bill in its present form is worth supporting. I hope that you will think it through and that we can count on your contribution and support.

[*English*]

The Acting Speaker (Mrs. Maheu): As I see no other members rising, is the House ready for the question?

Some hon. members: Question.

[*Translation*]

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

And the division bells having rung:

The Acting Speaker (Mrs. Maheu): Pursuant to Standing Order 45(5)(*a*) I have been requested by the chief government whip to defer the division until a later time.

Accordingly, pursuant to Standing Order 45(5)(*a*), the division on the question now before the House stands deferred until 6 p.m. today, at which time the bells to call in the members will be sounded for not more than 15 minutes.

* * *

GOVERNMENT ORGANIZATION ACT (FEDERAL AGENCIES)

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.) moved that Bill C–65, an act to reorganize and dissolve certain federal agencies, be read the second time and referred to a committee.

He said: Madam Speaker, I welcome this opportunity today to take part in the debate on Bill C–65, an Act to reorganize and dissolve certain federal agencies, and to explain to hon. members the substance of the bill and announce certain measures for public service renewal.

• (1330)

Bill C–65 is part of a concerted effort to act on our commitment to government renewal, as part of our promise to give Canadians good government and restore public confidence in government. The purpose of this bill and other measures we are taking, which I will describe briefly today, is to usher in a new kind of federal government, a government that is less costly and more efficient and that concentrates on its fundamental roles and responsibilities, in order to give Canadians government services better suited to their needs.

[*English*]

As we said in our red book, the most important asset of government is the confidence it enjoys of the citizens to whom it is accountable.

During the last election, and since then, the people of Canada have spoken. Their message was loud and clear. They are tired of large government. They have entrusted us with the task of ensuring the careful management of public funds. They want honesty and integrity restored to their federal institutions.

The previous government made a process of selecting friends when making appointments to the many agencies, boards and commissions that cabinet is required by law to carry out.

Madam Speaker, you may recall that in the last budget the Minister of Finance announced that we would have a full scale review to examine the size and relevance of existing boards, agencies, commissions and advisory bodies in order to both achieve cost savings by shrinking the size of some boards and commissions and by eliminating those that no longer play a useful role.

Over the last year we have listened to Canadians and taken action. An obvious measure of the importance that we attributed to the renewal and downsizing of the federal government was the Prime Minister's decision to ask me to assume responsibility for public service renewal. In this capacity the government has moved simultaneously on three fronts which will lead to a leaner, more cost effective and efficient government.

Bill C–65 will bring into force some decisions taken last July to reduce the numbers of, the size of, and otherwise streamline the operations of certain agencies, boards and commissions where this is in the interest of Canadians.

As hon. members will recall, on July 8 of last year I issued an interim report on progress to date. With the co–operation of my cabinet colleagues I was able to report that decisions had been taken affecting 41 agencies in nine different portfolios.

The legislation before the House today will place into law those decisions requiring legislative action.

[*Translation*]

More specifically, this bill will make it possible to abolish, or significantly streamline, 22 agencies and advisory bodies. As a result, we will be able to eliminate 150 positions staffed by the Governor in Council. In concrete terms, this will mean an annual savings to taxpayers of $1.5 million, and this is only the first set of such measures.

I am sure you realize, Mr. Speaker, that it would take too long to mention all these measures individually. However, perhaps a few examples will serve to illustrate how proper planning can yield major dividends.

The Board of Directors of Petro–Canada Limited, which now has 15 members, will be reduced to three members. This agency has no employees, its sole function being to manage the remaining accounts receivable of Petro–Canada, which was privatized in 1991. By reducing the number of members on the board and replacing them with employees of the Department of Finance, the government will be able to achieve a substantial savings.

• (1335)

The Canadian Saltfish Corporation, which was created almost 25 years ago, is being abolished because there is no longer any need for it. When it closes, 24 positions filled by governor in council appointees will disappear.

The staff of the Atlantic Canada Opportunities Board will shrink from 18 to 7, which will allow it to rationalize its activities in Cape Breton and enlist more help from Enterprise Cape Breton to implement more effective programs in that region. Seven positions will disappear when the board of trustees is abolished for the Queen Elizabeth II Canadian fund to aid in research on the diseases of children. In the future, the Medical Research Council will administer this fund.

This is a very good example of what I mean when I say that good planning pays dividends. Continuing to study childhood diseases is essential. However, since the government supplies the funds but does not carry out the research, it is illogical in these times of fiscal restraint to keep paying for a board that only administers the fund.

By being more pragmatic and logical, we tried to expose areas of overlap and to see if we could merge or group together certain functions. This is what we did for the Fund to aid in research on the diseases of children. We managed to save the fund by having it administered more effectively by the existing Medical Research Council of Canada.

Another example of this kind of amalgamation was the elimination of Emergency Preparedness Canada as a separate agency. Emergency preparedness remains necessary and Canada will be well served in that area, except that this function will now be performed by DND.

The functions of each agency were also reviewed for relevancy, to see if they were still useful or had become redundant.

Where it was determined that we had to keep the agency, we then looked at its structure with a view, if at all possible, to fulfilling its role with fewer people, less money and, perhaps, more efficiency.

Some agencies had very large staffs. Given the present financial situation, that seemed difficult to justify.

Internal structure is also an important criterion and one that we have taken into account. For example, at the National Capital Commission, it is essential that adequate regional representation be maintained on the board.

[*English*]

Similar criteria of course apply to many types of boards and we have been careful to maintain appropriate representation of the boards that we will be reducing in size.

Over a dozen organizations will have their number of board members reduced, resulting in significant savings. Just to mention but a few in this group are the Canada Council, the Canadian Broadcasting Corporation, the National Arts Centre and the boards of four of Canada's national museums.

I believe that hon. members will agree that this demonstrates, as I said last summer, we want to ensure that federal agencies continue to be relevant and that they are serving Canadians as effectively as possible. Bill C–65 will give effect to our objective which is the identification of sensible and practical actions to eliminate overlap and duplication and simplify government wherever possible.

Program review and efficiency of the federation: As I have already mentioned the review of agencies, boards and commissions is one aspect of the government's overall approach to streamlining and restructuring government.

• (1340)

The program review and our work in improving the efficiency of the federation are two additional initiatives. The efficiency of the federation initiative has allowed us to work jointly with the provinces in reducing overlap and duplication. With nine of the provinces and with two of the territories we have signed action plans which deal with specific sectoral issues where overlap and duplication can be reduced or eliminated within specific time frames.

I will soon report on the progress that we have made in this important area which will result in more effective and less costly government for all Canadians.

The program review is the other very significant initiative that will give the government a new look, a substantially different government which focuses on its core roles and responsibilities. The government is at one in understanding the absolute necessity for the government to renew itself, to restructure itself to better meet the evolving needs of our society during the next century.

As members know, the full details of the results of the program review will be announced by the Minister of Finance when he tables his budget.

[*Translation*]

Third, there is no such thing as the status quo; the federal system is evolving. What I have just described to you is but one example of this evolution in government. If we are able to take the steps I just referred to, it is because our system is flexible, adaptable and capable of meeting the changing needs of our society and our country.

Similarly, federalism is a form of government characterized by the capability of adjusting. Our history demonstrates the extreme flexibility of our government system.

[*English*]

Madam Speaker, if I can refer to my opening remarks of a few moments ago, where I mentioned the wishes of the Canadian people, I am certain that you and all colleagues in the House will agree that the government is taking the measures that will meet these expectations. Perhaps more than anything else, Canadians expect and want their government to be more responsive. A more responsive government will result from the efforts I have outlined here today.

[*Translation*]

To conclude, I invite all the hon. members to support Bill C–65. It is with legislation like this that we can give you a modern and efficient government. In closing, I would like to advise the hon. members that we will be introducing in a little while another omnibus bill to finish the job started with Bill C–65.

By the time our review is over, we will have dissolved many other agencies, boards and commissions; eliminated more than 600 positions and effected savings of over $10 million a year for the taxpayers. I cannot wait to be done with this review.

Mr. Richard Bélisle (La Prairie, BQ): Madam Speaker, I am pleased to rise following the speech made here this afternoon on Bill C–65 by the Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal. In the context of that legislation, the minister is also acting as President of the Privy Council.

Bill C–65 is a measure to reorganize and dissolve certain federal agencies. The bill amends and reorganizes 15 federal agencies by reducing the number of their members. It also dismantles seven other federal organizations. I say dismantle because, in some cases, the mandate of these agencies is transferred to the sector department or is merged with that of another body.

For several months now, the minister has been making a lot of statements regarding his reorganization of the federal public service.

• (1345)

Let us take a closer look at the effect of these cuts in the context of the public service taken as a whole. In its current form, Bill C–65 seeks to restructure the boards of 15 federal organizations and reduce the number of their members. As the minister said himself, the changes proposed in that legislation would result in the elimination of 150 positions held by governor–in–council appointees, as well as in savings of about one million dollars.

At the same time, the government is about to eliminate 45,000 jobs in the federal public service. If we estimate the average cost of these positions to be $40,000, a figure which includes the salary and the fringe benefits, these cuts could result in savings of $1.8 billion for the government. Compared to these drastic cuts and their impact on the government's budget, the changes proposed in Bill C–65 seem very minor indeed. They look more like a device to attract the public's attention than like a real change in the government's way of managing.

The savings which would result from the minister's piece of legislation represent merely one eighteenth of one per cent of the savings related to the anticipated elimination of the 45,000 jobs mentioned earlier. As you can imagine, the minister's interest in such cuts is great, given their impact on the budget; on the other hand, the savings resulting from the reorganization and elimination of some federal agencies, which amount to a million dollars per year, seem minor.

The fact is that all this publicity about savings of one million dollars is designed to prepare the ground and show that the government is setting an example. The aim is to show that political positions are being cut, before public service positions. Let us not forget that most of these political positions are part–time positions, and the people in them usually have another income. This is not the case for public servants, who work only for the government.

A bill, in proper form, to save one million dollars is far too little, when public service positions are about to be slashed. This is not good enough. In many cases, the savings will not be real. Costs will simply be transferred to the public service. The government wants us to believe the bill will reduce waste in public spending. What we need are fewer political positions, that is appointments by the Privy Council, in other words, by the Prime Minister himself. This bill is simply a smoke screen.

Saturday's *Globe and Mail* made it very clear that there was no shortage of political appointments under the Liberals. The article is headed: "It pays to be a Liberal" and goes on to list 84 Liberals who have been appointed by the government. Certain well–known Liberals were named to important positions. Some of them had supported the Prime Minister at the leadership convention; others had lost out in the October 1993 elections and others were longtime Liberal supporters.

This omnibus bill creates the illusion of government transparency. The red book makes the following promise: "A Liberal government will review the appointment process to ensure that necessary appointments are made on the basis of competence. Persons appointed by a Liberal government will better represent women, visible minorities, Aboriginal peoples, and people with disabilities". Are the 84 appointments listed in last Saturday's *Globe and Mail* based on the red book's criteria? Or are there double standards? I shall let you judge for yourselves. We heard one speech during the election campaign, but, having been elected, they are singing a different song now. The same Liberal credo as usual.

The elimination in the bill of all legal references to commissions and advisory boards leads us to doubt that the Liberals are seriously committed to transparency in government operations. Will Parliament and elected members have the right to examine appointments to such advisory boards, which in fact will no longer be legally constituted?

These agencies will no longer be required to submit annual reports to Parliament. The expected savings may be quite minimal and government appointments may become even more concentrated in the hands of the executive. Is this the transparency that the Liberals promised us during the last election campaign in October 1993?

• (1350)

They have also been silent on the issue of consultation with the provinces. Is that the flexible federalism promised by the Liberals? At the National Capital Commission, the legal obligation to have a member representing each province has been lifted in favour of local representation, that means representation for the city of Hull and for the city of Ottawa.

And the government is still wondering why Westerners feel alienated? Why do Canadians from the west feel they are getting less than Ontarians and why was the government unable to have a majority of members of Parliament elected in the west of the country?

The North Pacific Fisheries Convention Act will be revoked and the International North Pacific Fisheries Commission will be created. Was the Government of British Columbia consulted during this process and on the changes proposed by this act? Again, the minister remains silent.

The Canadian Saltfish Corporation is being dissolved, says the minister, and the Saltfish Act, revoked. There is no more saltfish to sell anyway. The corporation was already inactive. Why has the government sat 15 months in office without acting?

Dissolving this corporation was not the decision of the century, you will agree.

The Atlantic Canada Opportunities Agency Act is being amended. Have the governments of the four maritime provinces been privy to discussions leading up to this decision? Have they been included? Once again, we are in the dark.

There will no longer be representatives of the armed forces on the National Film Board. The government finally recognizes that the NFB is not a propaganda machine. Does it also recognize that Canadian taxpayers should not be helping to pay for partisan propaganda? Is the government prepared to stop funding the Council for Canadian Unity and let pressure groups from the no side in the next Quebec referendum pick up the slack?

The government says it wants to put an end to political appointments and senseless references to advisers. Seven advisory councils have been abolished. This is all very fine and well, but the directors of agencies can still call on the services of these people for advice of all sorts. The same group of friends of the regime will therefore continue to hover around government agencies, but more informally, less visibly than before.

The government plans to table a second omnibus bill, the minister tells us, after bringing down the budget, while an examination of all federal bodies continues under the responsibility of the minister himself.

All in all, the two bills will affect fewer than 300 positions, the majority of them part time, and will save one million dollars at best.

As we mentioned, the reorganization of these 15 federal bodies and the winding–up of seven others provided for in Bill C–65 will abolish a total of 150 political positions. This initiative should be pursued, although it still strikes us as much too timid.

The government should be directing its attention to the process of appointing people to these organizations. This is the sore point. The existing appointment process leaves the door open to taxpayers' money being used to reward friends of the party in power. There will be fewer of these political appointees, I agree, but they will still be Liberals.

What has changed? Let us look more closely at the nature of this administrative reorganization by the Minister responsible for Public Service Renewal. The number of members of the Canada Council has dropped from 21 to 11. The position of assistant director is no longer mentioned in the bill's provisions. The Council could, however, create such a position without any other approval. Parliament is losing control. The position of secretary of the Canadian Film Development Corporation, Telefilm Canada, is in fact no longer mentioned in the bill. The creation of such a position will therefore be up to the corporation in the future.

The Minister of National Defence is henceforth responsible for emergency preparedness, the organization formerly presided over by the minister, but under the direction of the executive director.

• (1355)

Emergency Preparedness Canada is no longer required to submit an annual report on its operations. Of course, the risk of politicizing emergency preparedness for partisan purposes is still there and we must remain very vigilant in this regard. It is a matter of government openness and parliamentary control.

The established policy of no longer requiring departments to submit annual reports is part of the cheeseparing economies this government is trying to achieve, when its mismanagement in all areas is costing us billions of dollars.

A one–point hike in interest rates increases the deficit by $1.7 billion, which is close to the $1.8 billion to be gained by eliminating the 45,000 public service jobs targeted by the government.

The abolition of the National Advisory Council on Fitness and Amateur Sport was already announced in the 1993 budget of the Conservative government. Are the Liberals taking credit for these savings or are they using the same data a second time?

Any legal reference to the National Archives of Canada Advisory Board and the National Library Advisory Board is eliminated. Management at the National Archives and National Library will thus be free to set up an informal advisory committee that will be beyond control.

The minister said that other changes would be implemented as part of the reorganization through separate legislation, orders–in–council or administrative measures. These additional measures will eliminate 125 governor in council appointments and save $4 million. Did you notice that this government's estimated future savings are always much bigger than the savings generated by these concrete measures?

Bill C–65 and the second omnibus bill that will be introduced after the budget is tabled will eliminate 300 jobs and save $1 million, while future measures will cut 125 jobs and save $4 million. This second series of measures to be implemented in the coming year will thus save four times as much. The jobs that will be cut must pay much better than those already abolished.

The Speaker: 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.

S. O. 31

STATEMENTS BY MEMBERS

[*English*]

INTERNATIONAL DEVELOPMENT

Mr. Bill Graham (Rosedale, Lib.): Mr. Speaker, this is International Development Week. As we focus on our own problems, we Canadians must also remind ourselves from time to time that the vast majority of humankind is not as well off as we are. We must also recognize that our own interests and values require that we aid others in development.

As the Minister of Foreign Affairs said this morning, aid for development attacks the threats to our own security that are posed by over–population, poverty, disease and conflicts in other countries. It also allows us to share our Canadian values of tolerance and pluralism; aid women in development; encourage the establishment of a vibrant private sector in developing economies; and help others create the foundations for democratic government that make this country so great.

In this development week we salute the non–governmental organizations, churches and other Canadian institutions, and the millions of individual Canadians who make such a tremendous contribution to others in the world, while enriching us all in the process.

* * *

[*Translation*]

SOCIAL HOUSING

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, this government is contemplating raising to 30 per cent of income the rent geared to income in low cost and co–op housing, in order to save on social housing and apply these savings to reducing the federal deficit.

We recognize in this measure the unimaginative, heartless ways of the Liberals, and particularly their lack of vision. What this raise means, in real terms, is a 20 percent per year rent increase for the 110,000 Quebec families in social housing.

Given an average income of $10,000, these tenants will have to pay $500 more in annual rent, or $40 to $50 more per month.

Instead of going after the undue privileges of the rich—family trusts, tax loopholes and unpaid taxes—the federal government argues: let us make the poor pay.

[*English*]

THE DEBT

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, on January 27, I participated in a debate at the University of Manitoba entitled "Generation X—Inheriting the Debt".

I sat in utter astonishment as I listened to the Liberal member from St. Boniface say to these students whose futures are in jeopardy because of decades of Liberal and Tory overspending that continued deficits have been worth it because "look at all the good things we have".

My astonishment turned to utter disbelief when the same Liberal member from St. Boniface stated that all the talk about MPs' pensions being so rich is just a crock. As this member and other Liberal trough feeders continue to extol the virtues of deficit spending and point to the frugality of their pension plans, one can be sure that the Canadian taxpayers recognizes that this Liberal defence in fact is just a crock.

* * *

TAXATION

Mr. Jag Bhaduria (Markham—Whitchurch—Stouffville, Ind. Lib.): Mr. Speaker, for 15 months now Canadians have supported the federal government's policy of deficit reduction and job development. We are all acutely aware of the impact these policies will have on the economic development of Canada.

Now with the impending budget Canadians are getting nervous because deficit reduction targets will not be met. They are nervous because of strong rumours of proposed tax increases in the budget.

Low and middle income Canadians have been taxed enough. They have been burdened by government mismanagement and excessive spending for too long.

I have proposed a solution to the Minister of Finance, a solution that every low and middle income earner in Canada will support. The solution is to designate 1995 a tax freeze year for low and middle income earning Canadians. It is time for the federal government to show leadership on this matter.

* * *

CHINESE NEW YEAR

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, last week members of the Chinese Canadian community celebrated the beginning of the Chinese New Year, the year of the boar.

In Vancouver the Chinese community celebrated all week. I had the privilege to participate in many of the festivities ushering in the new year.

Parades, lion dances, colourful fairs and rich banquets brought Vancouver East to life. Even the dragon made an appearance.

The Chinese Canadian community is a great asset to our Canadian mosaic. Dedicated members of their community, Chinese Canadians are a good example of Canadian citizenship. Their will to generously share their traditions and culture with the rest of Canada is but another contribution of this great community to the building of a multicultural country.

They once again proved that the values they hold so dear are the values of many other communities: family, respect, friendship, work, hospitality. The Chinese Canadian community also enjoys, as do many other communities, good food, good fun and a great love for celebration.

Let me wish everybody Happy New Year, Kung Hey Fat Choy.

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OXFORD

Mr. John Finlay (Oxford, Lib.): Mr. Speaker, I would like to congratulate the Prime Minister for success in forging new trading relationships with the far east, the Americas and eastern Europe.

My riding of Oxford has many industries that want to benefit from these new trading opportunities. This was demonstrated by representatives from many sectors of my ridings' economy, including food processing, agri–business, manufacturing and education who met with representatives of the Canada–Ukraine Chamber of Commerce this past December in Woodstock.

At this meeting business people learned about the developing Ukrainian economy and the opportunities it presents to Canadian business.

The attitude of the people present was one of confidence in the skills and products they had to offer and willingness to investigate joint ventures and exchanges.

I can assure the Prime Minister and this House that Oxford will be doing its part in creating new jobs and new opportunities for all Canadians through increased trade.

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MEMBERS OF PARLIAMENT PENSIONS

Mrs. Karen Kraft Sloan (York—Simcoe, Lib.): Mr. Speaker, I urge the government to move on its promise of MP pension reform.

• (1405)

The Minister of Finance will deliver a tough budget at the end of this month. Canadians understand the difficult financial challenges facing our country.

Canadians want a budget that is fair and equitable, that ensures that those who do not pay their fair share do so and the things Canadians value the post are protected, our health, our children and our natural environment.

However, to be fair and equitable we must put our own House in order first. I campaigned on pension reform. I urge the government to act now.

* * *

[*Translation*]

SOCIAL PROGRAM REFORM

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, the social program reform gives the federal government an opportunity to treat young people like second class citizens.

At a time when young people must build a future in extremely difficult conditions, given the problems of unemployment and government debt, the Minister of Human Resources Development, with the support of the Liberal majority within the committee, jeopardizes their ability to get university and post–secondary education by triggering a significant rise in tuition fees. Moreover, the minister and the Liberal majority want to make it more difficult for young people to get UI benefits.

Because of such measures, which show contempt and a lack of understanding, the federal government fully justifies the dissatisfaction and resentment young Quebecers and Canadians feel toward leaders who do not care at all about their future.

* * *

[*English*]

MEMBERS OF PARLIAMENT PENSIONS

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, last November I rose in this House to share the concerns my constituents and I have over the Liberal's inaction in dealing with excessive MP pensions.

Today I rise again on the same subject. Almost three months have passed since trough day, the day 52 members of the House became members of the pay cheque for life club, courtesy of the extravagant MP pension plan. This government is famous for putting off major decisions. Meanwhile the cheques keep flowing from Ottawa and Canadians keep demanding an overhaul.

In a recent Cariboo—Chilcotin householder survey over one quarter of all responses voluntarily singled out the MP pension plan as an area to be cut. My constituents are angry that this government has done nothing.

Reformers stand with all Canadians in demanding MP pensions be brought into line with those seen in the private sector. It is time the Liberals live up to their promises. Stop wavering on

the issue and bring forward an affordable pension plan for the members of this House.

* * *

POST-SECONDARY EDUCATION

Mr. Svend J. Robinson (Burnaby—Kingsway, NDP): Mr. Speaker, today joining us in the House of Commons are some 40 students from Concordia University who represent the views of Concordia students, faculty and staff in strongly opposing the changes in post-secondary education funding proposed by this government.

I join in condemning these unfair measures and call on the government to stop fighting the deficit on the backs of students and workers, particularly women, people with disabilities and visible minorities, and instead close tax loopholes for the wealthy and corporations, lower interest rates and put people back to work.

The Minister of Finance can set a personal example by ensuring that CSL Steamship Lines Inc. hires Canadian mariners with Canadian standards to crew vessels built in Canada and subsidized by Canadian taxpayers. Instead, six of these vessels are registered in the Bahamas using cheap labour and substandard conditions.

Finally, let us make sure that we fully fund post-secondary education in this country and strengthen social programs, not weaken and attack them.

* * *

SCIENCE AND TECHNOLOGY

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Mr. Speaker, in recognizing the principle of no new taxes, we should also recognize that continued investment in advanced scientific and technological research, oriented toward industrial production and export abroad, particularly in information science and biotechnology in which Canada is a world leader today, is one of the keys to improving Canada's revenues and trade balance, thus increasing employment and reducing the deficit.

* * *

TAXATION

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.): Mr. Speaker, I have received hundreds of letters from concerned constituents of Bramalea—Gore—Malton, all demanding no new taxes.

My constituents want the government to reduce the deficit and eliminate duplication of services. People want the government to create a climate beneficial to economic growth. They want more support for small business.

Ordinary Canadians would like tax loopholes to be closed, government spending reduced, and MPs' pensions brought into line.

• (1410)

I urge my fellow members to support the government in these worthwhile objectives.

* * *

[*Translation*]

DOUGLAS WARNOCK

Mr. Raymond Lavigne (Verdun—Saint-Paul, Lib.): Mr. Speaker, we may be living in a selfish world, but a ray of hope shone over my riding of Verdun—Saint-Paul during the Christmas recess.

I refer to a local hero, Douglas Warnock, and I do not use the term lightly. On January 8, Mr. Warnock dove into the icy waters of the St. Lawrence River to haul a young mother and her daughter back to safety. When he got out of the water, he was told about another young girl, unconscious and floating downstream. He dove back in and brought her to shore.

Shivering and freezing, Mr. Warnock went back to the Verdun yacht club to warm up, leaving the victims to be cared for by others in the crowd that had gathered. Today, that mother, her daughter and her friend are alive thanks to this man's bravery.

[*English*]

I ask all Canadians to join me in thanking Mr. Warnock for giving us hope by demonstrating that there are still people who care enough for others.

* * *

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

Mr. François Langlois (Bellechasse, BQ): Mr. Speaker, in March 1994, the Federal Court's Appeal Division ruled that by refusing to pay members of the RCMP a bilingualism bonus since 1977, the Commissioner of the Royal Canadian Mounted Police had acted unlawfully.

In other words, the commissioner had been acting unlawfully for more than 17 years. Today, members of the RCMP demonstrated on Parliament Hill to claim a fundamental right already enjoyed by other employees in the federal public service: the right to form a union. Members of provincial and city police forces already have that right.

Members of the RCMP see this as a way to stop this abuse of power by the RCMP commissioner, who is their employer and, as far as their grievances are concerned, is both judge and jury. It would be in the best interests of Canada to have an open RCMP, where police officers can do a good job and enjoy full recognition of their basic rights.

[*English*]

THE BUDGET

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, I rise today on behalf of the constituents of Okanagan—Similkameen—Merritt to give fair warning to the government in anticipation of its pending budget.

Canadians have been contacting Reform Party members of Parliament to express their rage about any possible taxation of dental benefits and RRSPs by the Liberal government. We have received thousands of calls, letters and petitions.

The Reform Party opposes any increase in the general tax burden imposed on Canadians. The budget must be balanced, but through expenditure reductions rather than tax increases.

Does this government not understand that Canadians want a reduction in the burden of government? In my riding over the last three weeks my constituents have made it perfectly clear: reduce the deficit without increasing taxes. Our voices of protest must stop the Liberals from making any tax grab.

I give fair warning to the government: do not tax dental benefits or RRSPs, do not raise any taxes, reduce spending.

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CANADIAN AIRBORNE REGIMENT

Mrs. Jane Stewart (Brant, Lib.): Mr. Speaker, the comments made by the member for Saanich—Gulf Islands denying any racism in the video depicting the conduct of some members of the Canadian Airborne Regiment indicate how difficult it is to understand racism.

In the video a black paratrooper, like his white colleagues, was personally humiliated but in addition he was challenged and degraded at a second level. In the video his captors wrote on his back with excrement "I love the KKK". Had they written that message on a white recruit the meaning would have been lost. Its intended effect was only achieved because its host was black. In this case the individual was humiliated but as well all members of his race were implicated and humiliated.

This is racism in its simplest form; so simple that it can become systemic in our society.

We can say and be proud that Canada is not a racist nation. However, if we do not recognize racism when it exists and when it occurs I am afraid that our protestations may become hollow and untrue.

• (1415)

LIBERAL GOVERNMENT

Mr. Harold Culbert (Carleton—Charlotte, Lib.): Mr. Speaker, economic development, growth and jobs are the priorities of the government. I encourage the Prime Minister and the government to continue with this agenda during 1995.

During the past year this government has created an economy and the confidence to enable thousands of permanent jobs to be created across Canada. As a matter of fact, our country is a leader in growth among all G–7 nations.

This agenda is working. We are on the road to recovery and Canadians have renewed pride and confidence in our country and in our economy. Atlantic Canadians have a goal of self–sufficiency and the jobs and growth agenda is an important part of the future achievement of this goal.

We must continue with our agenda for jobs and growth to build and even stronger economic climate that will provide the opportunity for employment for all Canadians.

ORAL QUESTION PERIOD

[*Translation*]

INCOME TAX

Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ): Mr. Speaker, now that the financial community is becoming increasingly sceptical about the government's willingness to deal with the deficit, the Prime Minister and the Minister of Finance have refused to promise not to raise taxes in the next budget. Once again, the government is about to attack the middle class, which is already heavily taxed.

My question is directed to the Prime Minister. How can the Prime Minister claim that, three weeks before the budget, he still does not know whether the government will raise taxes and, above all, how can he renege with such impunity on a campaign promise that he would not raise taxes during the first two years of his mandate?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the final decisions concerning the budget have yet to be made, so it would be premature for me to say anything definitive on certain aspects of the budget.

What we have to do is not an easy job. Decisions are in the process of being made, but they are not final. As soon as we have finished the job, the Minister of Finance will be able to announce the budget date, and members will get their answers on the night the budget is brought down.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, as far as I know, the Prime Minister's arguments do not release him from his commitments. He was elected on the basis that he would not increase taxes during the first two years of his mandate.

I want to ask the Prime Minister whether he agrees that during the past year, his government's failure to cut spending was mainly responsible for increasing mortgage costs by up to $200 per month for the same taxpayers who would be affected by his surtax.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I have said it before and I will say it again, a budget will be brought down in the House a few weeks from now. I want to point to hon. member that Canada's economic performance has been exceptional.

We have achieved higher growth objectives than any other western country. We have had a year with zero inflation. For the first time in a very long while, the forecasts of the Minister of Finance with respect to the deficit have been reached. This will be explained in the budget.

Our performance was excellent, and we intend to keep it that way. And when the Minister of Finance rises in the House to propose budget cuts, I will be delighted to see the hon. member supporting those cuts.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, if we are in such good shape, why not promise not to raise taxes? Why this reluctance to make certain decisions, when the government is prepared to make decisions like the one I am about to mention?

Considering the present state of our public finances, how can the Prime Minister justify a decision to give away $2 billion in tax credits to the wealthiest taxpayers in this country who can afford a vacation home in the United States?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the hon. member ought to know that what this means is, that we negotiated an agreement with the United States to avoid double taxation of Canadians.

• (1420)

Formerly, a Canadian who had a residence in the United States had to pay taxes unless he had a tax credit, and the same applied to an American who had a residence here. Since many Americans have residences in this country, what we did was to protect Canada's tax base.

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, my question is for the Minister of Finance.

Just yesterday, the Minister of Finance asked the official opposition to make suggestions for reducing expenditures. Yet on December 15 in this House, he denounced proposals made by the Bloc Quebecois and denounced the fact that they would only amount to a reduction of $5 billion.

Rather than contemplating another tax increase for the middle class, why does the government refuse to act on the suggestions made by the official opposition, such as collecting $6 billion in unpaid taxes, eliminating duplication which costs $3 billion in Quebec alone, scrapping over $1 billion in unproductive subsidies to companies, cutting the defence budget—

The Speaker: Order, please. I remind hon. members that they should ask questions and not give little speeches. I would ask the hon. member to state his question immediately.

Mr. Brien: What a shame, Mr. Speaker, I still had a few hundred million dollars earmarked for the Minister of Finance.

Why is he considering raising taxes for the middle class instead of following the suggestions made by the Bloc Quebecois?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the only suggestions offered by the Bloc Quebecois were the same ones as the Auditor General made. In congratulating us, the Auditor General also congratulated the Minister of National Revenue on his efforts in this regard. There is nothing new in their suggestions.

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, I have a supplementary question for the Minister of Finance.

Does the Minister of Finance intend to act on the warning against increasing taxes given him by the business council on national issues, which said that the overall tax burden in Canada is already too high, jeopardizing investment projects and, more seriously, hampering efforts to reduce unemployment faster?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I have said repeatedly that we intend primarily to cut government spending. As to specific decisions, we will have to wait for the budget.

I find it somewhat of a paradox, however, with the whip of the Bloc Quebecois having just suggested that we should pay no attention to business leaders, to have the member for Temiscamingue ask us now to listen to what the business leaders have to say. There seems to be a bit of a lack of consistency here.

[*English*]

THE BUDGET

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, yesterday the finance minister said it would be fruitless for Reformers to ask questions about the budget because he would not under any circumstances get into specifics. Yet representatives of the financial institutions seem to be learning a great deal about the budget from off the record conversations with government insiders. For example, Sherry Cooper, chief economist of Nesbitt Burns says that those in the know tell her the government will save $5.25 billion in spending reductions next year and $7 billion in 1996–97.

Will the minister provide the House with the list of institutions and others who have been provided with this type of information about the forthcoming budget and will he explain why he is not willing to provide the same details to this House and the Canadian people?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I can assure the leader of the third party that no such information has been provided to any financial institutions and therefore he has his answer.

I did participate in a telephone conference call with Sherry Cooper along with 50 or 60 others, including a full representation from the financial press.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, I can understand why the finance minister wants to try to con the markets and outline his budget strategy to financial analysts. They are uncertain and worried about the government's fiscal direction. The Canadian people are also uncertain and worried about the government's fiscal direction and they need some reassurances.

• (1425)

How is it that the government can find ways to reassure financial analysts on the size of the budget deficit and spending cuts, but will not tell the Canadian people anything about pending tax increases? Why the double standard? It is their money.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, we have been able to reassure financial markets because we have been able to say that this year, as the Prime Minister has said, for the first time in a long, long time the Canadian government is going to hit its deficit targets. We have also been able to reassure financial markets because we have said that in the years to come we are going to continue to hit those targets.

We have been able to reassure the Canadian people and those who are in need when we have said that we will not engage in the kind of fiscal savagery recommended by the Reform Party.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, if you set your targets low enough, even the Conservatives can hit them.

The government seems to be finding ways of getting information to the money markets about the budget in order to prepare their reaction and calm their fears, but it is unprepared to provide the same information to this House and the Canadian people who have an even greater stake in the budget.

I am wondering whether the Prime Minister condones this double standard or whether he is willing to be as frank with the Canadian people as his finance minister is apparently willing to be frank with financial analysts.

Is the Prime Minister willing to tell the Canadian people today, yes or no, whether the government intends to increase taxes in the forthcoming budget? Be as frank with them as the minister is with the analysts.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, you will have to be patient because we will be asked that question every day until the day of the budget. Everybody knows we cannot reveal the contents of the budget before budget night. We will respect the rule that has existed for a long time.

One thing is clear. This government has said to the Canadian public and the business community that we would meet our targets and the targets will be met.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, my question is for the Minister of Human Resources Development. Of all the recommendations made in the Liberals' majority report on social program reform, one is particularly heinous since it aims to require that young people work more weeks than the rest of the population in order to qualify for unemployment insurance, even though young people already have a hard time finding stable jobs.

Does the Minister of Human Resources Development endorse the recommendation made by his Liberal colleagues, which, in an underhanded and discriminatory way, sets up a two-tiered unemployment insurance system with the lower level of coverage going to young people?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, first if I might I would like to take the opportunity to thank all members of the committee on

human resources who completed their work in sometimes somewhat trying circumstances. I want to tell them I appreciate very much the way in which they made a real effort to reflect the views of Canadians.

As far as the specific recommendations are concerned, we will be looking at all the views and recommendations contained in the committee report submitted, both the majority and minority reports. We will be looking at them very carefully as we go about preparing government programs for the reform of our social institutions.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, the problem is that, during the consultation process, not one of the witnesses told us that a system penalizing young people was needed.

How can the minister justify his government's determination to make young people second class citizens, by forcing them to increase the debt load they accumulate during their studies and by restricting their access to unemployment insurance, even though they often hold unstable jobs?

• (1430)

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, as I just explained a committee report is not a government policy. It is very important that we clarify the distinction.

On the other hand, I would say that having read the majority report very carefully, I was very impressed by the number of recommendations made concerning the way in which we could begin to target more assistance directly to young people to help them get into the job market.

It seems to me that one of the most important initiatives or directions the committee majority report recommends is that we devote far more resources to things like internship programs, transitions between school and work, helping students get better aid and assistance to go back to school.

Providing positive programming is really the direction we have to go in. That was certainly the spirit in which the majority committee report was expressed.

* * *

GOVERNOR GENERAL

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, today the Reform candidate for Ottawa—Vanier said that the soon to be appointed Governor General should be required to pay his fair share of taxes. I and I am sure every other Canadian wholeheartedly agree. Now that the Queen pays income tax, why should her representative in Canada not pay?

My question is for the Prime Minister. Will he send a positive signal to Canadian taxpayers by asking the new Governor General to voluntarily pay income taxes like the rest of us?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, to begin with, the Governor General has voluntarily returned his pension to the crown. He was not obliged to do that. There was no obligation at all, yet he accepted to do that.

This legislation has been in existence for a long time. Perhaps we might have to review it and adjust the circumstances to that reality, but this is the way governors general have been treated in Canada since 1867.

We will look into that and see if we can do something. At the same time we have to treat this Governor General the same way we treated the governors general in the past.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, of course the Queen set the precedent in 1993 when she offered voluntarily to pay income taxes.

Things are different now from what they were in 1867. With today's harsh economic climate when Canadians are being forced to make do with less from sea to sea, a $95,000 salary tax free plus benefits does seem a little steep.

The government has talked a lot in the last few weeks about making the taxation system fairer. Why not start at the top with the Governor General? Equal means equal.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, it is not necessary to tell the House that the Governor General on his private income, if he has other income, is paying his taxes. It is exactly what the Queen has offered to do in England if I am well informed. She is paying taxes on her private income, not on her public income.

* * *

[*Translation*]

INTERNATIONAL TRADE

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, in its policy statement on foreign affairs and international trade tabled today, the government expresses its firm intention to diversify our trade relations with Asia since, in its opinion, Canadian trade is too focused on the U.S. market.

Nowhere in its statement does this government describe the U.S. as a strategic market for Canadian exporters. It sounds like an updated version of the famous third option favoured by the Liberals in the 1970s.

Does the Minister for International Trade intend to cut human and financial resources allocated to the promotion of trade with the U.S. and reduce the number of trade commissioners, as suggested by Liberal senators and members of Parliament on the special joint committee?

[*English*]

Hon. Roy MacLaren (Minister for International Trade, Lib.): Mr. Speaker, in Canada's search for additional international markets it is not in any way our intention to play down opportunities in the United States. They are real, they are tangible and of course they represent the greatest part of our foreign trade.

Our programs of support range across a whole spectrum. Some relate to the border states for example. Some relate to small and medium sized enterprises entering the export world for the first time, principally in the United States. It is our intention to continue to support those programs.

[*Translation*]

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, my supplementary question is for the Prime Minister. The Prime Minister claims that he cares about human rights; why in that case did he not see fit to raise this issue during his meeting with Central American leaders, including the President of Guatemala, a country denounced by Amnesty International for its systematic violation of human rights?

• (1435)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I raised this kind of issue several times whenever circumstances allowed it. In fact, I raised this very issue, in the presence of the President of Guatemala, at the breakfast meeting we had with the six Central American government leaders.

* * *

[*English*]

SOCIAL PROGRAMS

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, yesterday the report tabled by the human resources development committee offered the curious vision that social programs are working brilliantly yet they are desperately in need of reform.

Almost all of the recommendations are based on three false assumptions: that governments create jobs through ever increasing public spending; that a government monopoly is the best means of caring for those in need; and that ever increasing government debts and deficits are justifiable if they are spent on government run, make work projects and social programs.

Last week the Minister of Human Resources Development told the news media that deficit reduction had overtaken social program reform as the top priority. Can the minister tell Canadians if he will proceed with social program reform only if he can spend more money and control program delivery?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, it is obvious the hon. member was so busy reading his own minority report that he did not bother to look carefully at the majority report.

It very directly says we must put social reform in the context of a stable fiscal economic system because we have to build upon that base of stability. This is something we are certainly favouring because we do believe that part of social reform is to have a well functioning economy which is not subject to the kind of vulnerabilities and volatility we are now receiving in the international finance market.

Beyond that it said it is very important to look at many of the existing programs and shift resources for those programs to much more active employment development so that we can get people back to work. After all, the ultimate strength of our economy is to have more Canadians going back to work. That is how we will build this country, by investing in people.

The Speaker: Once again colleagues, it is early in the year but I would appeal to you to make the questions brief and the answers brief.

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, if the government would get its fiscal house in order there would be a lot less need for social programs.

I travelled with the Commons committee for five weeks. Many ordinary Canadians I heard were not saying the things that are in this report. It is obvious the government is paralysed because it has spent too much time listening to government funded special interest groups.

Can the minister tell us, is his government going to continue the Liberal tradition of social programs dominated by decisions made in Ottawa and make promises it cannot keep and add to the worry of average Canadians because of its lack of vision?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, the vision we put forward in the social paper was to ensure that a wide range of Canadians would be able to fully participate in the process.

I am glad to report that well over 100,000 Canadians participated mainly through the efforts of members of Parliament who held town hall meetings, through the work of the committee itself and through the effective work of the department in getting out workbook questionnaires. It probably has been the largest exercise of public involvement in any decision on public policy.

I go back to what the member's hon. leader said during the election, that we must listen to the judgment of the people. This exercise is listening to the judgment of the people and that is the best vision to have.

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[*Translation*]

PUBLIC SERVICE

Mr. René Laurin (Joliette, BQ): Mr. Speaker, yesterday, in this House, the Prime Minister continued to maintain, after checking with the Privy Council, that there are federal public servants who are paid to sit around and do nothing. And again, yesterday, he was contradicted by his President of the Treasury Board, who said that he was aware of no one being paid to stay at home and do nothing.

The Prime Minister must have made further inquiries since yesterday. Can he tell us now how many public servants, in the Privy Council's estimation, are being paid to do nothing and where they can be found?

• (1440)

[*English*]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, there is no discrepancy with respect to the remarks that have been made in this matter.

We are heading toward the budget and the downsizing that is going to occur in the public service as a result of the program review exercise. We are concerned about being able to deal fairly and reasonably with our employees so that we will not have anybody staying at home collecting money and not working. We simply will not tolerate that circumstance.

However, in the course of dealing with our employees we will deal with them fairly and reasonably.

[*Translation*]

Mr. René Laurin (Joliette, BQ): Mr. Speaker, both statements cannot be true. How can the President of the Treasury Board stand up and say that no public servants are being paid to do nothing when his Prime Minister said exactly the opposite?

[*English*]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, there is no discrepancy between the Prime Minister or myself on this matter.

I indicated that I was not aware of this matter. That is not to say that there were not people involved in the past. What we are saying as we get into this exercise of downsizing is that we simply cannot tolerate that if there is no work there can be no pay. That is what both of us have very clearly said to the people of this country.

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TRADE

Mr. Geoff Regan (Halifax West, Lib.): Mr. Speaker, my question is for the Minister for International Trade.

The biggest concern in my riding of Halifax West is with jobs and the economy. The Prime Minister recently led a trade mission to Latin America with 200 Canadian companies.

Can the minister tell the House what this mission accomplished in terms of jobs and the economy?

Hon. Roy MacLaren (Minister for International Trade, Lib.): Mr. Speaker, the basic purpose of the trip was of course just that, to create jobs and increase prosperity in Canada.

In the case of Argentina, the mission led by the Prime Minister signed some $400 million in contracts; in the case of Brazil, some $600 million; and in the case of Chile, some $1.7 billion.

The Prime Minister was also able to assist Chile in furthering the accession of that country to NAFTA. Elsewhere in South America he was able to to give greater reality to our commitment to free trade throughout the western hemisphere.

* * *

CRTC

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, my question is for the Minister of Canadian Heritage.

On January 1, the CRTC forced the country music television network off Canadian cable systems. As a result CMT has shut Canadian country artists out of a global audience estimated at 32 million world–wide.

Yesterday the United States government announced it was considering further retaliatory measures against the Canadian broadcast industry, placing our trading relationship with that country in jeopardy. The minister is moving down the dangerous path of cultural protectionism.

Does the Minister of Canadian Heritage not realize he is harming Canadian culture and Canadian artists by sanctioning the CRTC decision?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, the decision taken by the CRTC is precisely designed to protect Canadian artists and the Canadian cultural industry.

CMT, which is owned by The Nashville Network, was informed by the CRTC when it scheduled in Canada that if there was another channel opened by Canadians it would have to move out. There is no surprise there. The CRTC has taken its decision with full regard to the trade obligations entered into by Canada.

• (1445)

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, that is a completely unacceptable answer in this day when technology is being over–ridden by outdated regulations which do not serve our Canadian artists. This is cultural exploitation at its extreme.

My supplementary question is for the same minister. Why is he putting up roadblocks for our very fine Canadian artists? Our cultural industries are among the best in the world. We need liberalization in order to compete more effectively instead of trying to restrict our artists from developing in the international economy.

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, far from putting up roadblocks, we are opening an information and cultural highway for them with great success.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, my question is for the Prime Minister.

We have learned that not only did the CBC chairman meet the federal Liberal caucus in Toronto to discuss the budget of the corporation, but that he also had a meeting with the members of the Quebec wing of the federal Liberal Party to discuss coverage of the referendum campaign by the CBC.

How can the Prime Minister justify the fact that Mr. Manera participated in a second meeting which only involved federal Liberal members from Quebec and the Minister of Canadian Heritage, specifically to discuss coverage of the referendum campaign?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the reason is that the Liberal caucus is very large. Consequently, the CBC chairman first met Ontario members, and then Quebec members, the next day, after they had arrived.

In fact, the chairman had sent an invitation to meet Bloc Quebecois members, but the hon. member was not in her office to find out what was going on.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Oh! What a terrible thing to do, Mr. Speaker. For your information, the letter arrived on February 3 and I came back to my office on the sixth. My supplementary is for the Minister of Canadian Heritage.

Following his blunder with the CRTC, and given his ministerial responsibility, how can the minister justify participating in a meeting on the CBC's coverage of the referendum campaign, thus directly jeopardizing the autonomy of a crown corporation of which he is supposed to be the guardian?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, surely the hon. member knows that members of Parliament attend caucus meetings. However, she forgot to mention that the Premier of Quebec has also asked for the resignation of the heritage minister, but I will provide an explanation. The reason is that the Premier is so desperate to find a Quebec minister of culture that he is now turning to Ottawa; however, I have no intention of doing him that favour.

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[*English*]

GOVERNMENT APPOINTMENTS

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, I have a brief question for the Prime Minister.

The chairman of the Prime Minister's leadership campaign in Newfoundland in 1984 and a failed Liberal candidate on numerous occasions since 1972 was sworn into the CRTC last Monday.

I would like to ask the Prime Minister to enlighten us as to whether or not there were any other candidates for the job or just a Liberal?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, people are appointed regularly to boards. We look for competent people. It just so happens that because more people belong to the Liberal Party than any other party, we have to pick one once in a while. Last week, in order for the *Globe and Mail* to write these articles it had to rely on the chief patronage officer of the previous government who is an expert.

I have been in this party for 32 years and in all the lists I saw in the *Globe and Mail* on Saturday, I did not know more than 60 people personally. There are a lot of people who have worked in Canada in different functions. If the hon. member can prove that the person is incompetent we will not give him or her that job. However, he has to prove other candidates are competent which is exactly what we are looking for, good, competent people who have good judgment.

• (1450)

Mr. Randy White (Fraser Valley West, Ref.): You would have to go a long way to find a Liberal in my riding, so I do not know where you are coming from.

Some hon. members: Oh, oh.

The Speaker: I would ask the hon. member to always address the Chair, please.

Mr. White (Fraser Valley West): Mr. Speaker, the Prime Minister would have to go a long way to find a Liberal in my riding.

The Prime Minister's appointments director, who happens to be the wife of the Minister of National Defence—if you can figure that out—says that ability, merit, integrity and honesty would be the criteria for job handouts. Charles Roth was

appointed as a director of the Mint after contributing to the Liberal Party. I would like to ask the Prime Minister: If you donate to the Liberals does that give you a licence to print money or just a job at the Mint?

The Speaker: I am not sure that the question relates directly to the administration of government. However, if the right hon. Prime Minister would like to answer it, I give him the floor.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, Mr. Callahan has been a journalist all his life. He has been the editor for many years for newspapers in St. John's, Newfoundland. It would be very difficult to find someone better qualified to serve in information services like the CRTC than a person who has worked all his life as a journalist.

I would like to say to the hon. member who talked about political parties that I remember some months ago members of the Reform Party asking us to call byelections. There will be three byelections on Monday. We will see how much support they get.

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BANKING

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, small and medium sized businesses are struggling for funding from Canadian banks. Time after time business people in my riding of St. Catharines tell me the same story: they have a good business, they create jobs and they are the engine of the economy. However Canadian banks are forcing these businesses out of business.

When will the Minister of Industry follow the recommendations of the Standing Committee on Industry?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, one of the key recommendations was the appointment of a financial institutions' ombudsman.

The member of Parliament for St. Catharines who posed the question has used his office in an extremely effective way on behalf of his small business constituents, working effectively as an ombudsman to help solve their problems with the banks. He has set an example for other members of Parliament on how they can make a difference.

We are going to reply to the report of the industry committee in the required time. Since the committee reported, the Canadian banks have put out a code of conduct. They have also proposed an alternative dispute resolution system.

I would like the members of the industry committee to look at those proposals and to give us their views on how far they go in solving some of the important problems that small business has with the banks.

[*Translation*]

CANADIAN SYNCHRONIZED SWIMMING FEDERATION

Mr. Benoît Sauvageau (Terrebonne, BQ): Mr. Speaker, my question is for the Minister of Canadian Heritage. The Canadian Synchronized Swimming Federation is still refusing to explain the real reasons why it chose Edmonton instead of Montreal as training site for the olympic team in preparation for the 1996 games in Atlanta.

With more than half of the athletes in this discipline probably coming from Montreal, it seems that this decision is politically motivated.

Can the minister explain why Synchro Canada—

• (1455)

[*English*]

The Speaker: As much as possible we should not in our questions impugn motives of any kind as to why decisions are taken.

[*Translation*]

I will invite the member to proceed with his question.

Mr. Sauvageau: I apologize, Mr. Speaker, I did not want to impugn motives. I was just telling the truth. Can the minister explain why Synchro Canada is unable to demonstrate clearly that Edmonton's bid is better than Montreal's?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, the member would like me to make a commitment and start interfering in the operation of national sports organizations. I will not do so because they have the right to their autonomy. However, I have asked for further information regarding this decision.

Mr. Benoît Sauvageau (Terrebonne, BQ): Mr. Speaker, is the Minister of Canadian Heritage committing himself to disclosing the information he has asked for?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, I am confident that I will have some information for the member and that he will not be left dangling over an empty swimming pool.

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[*English*]

FOREIGN AID

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, the government is now committed to increasing spending on aid to 0.7 per cent of GNP when the Canadian fiscal situation permits it. To accomplish this taxpayers would have to spend billions more on aid every year.

Given Canada's $550 billion debt, impending cuts to social programs and possible tax increases, will the government please tell Canadians why we are committed to increasing our aid spending?

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, the hon. member is able to read as well as all of us the document that was tabled today. It is quite clear that the Liberal Party of Canada, which now is the government, is committed to a long term goal of 0.7 per cent. In fact it was a recommendation of the parliamentary committee and we stand firm on this long term commitment.

In the meantime it is false, as the hon. member is trying to pretend, that we will put additional expenditures to the taxpayers. Obviously the budget will give more detail about this but it is absolutely incorrect for the hon. member to come to the conclusion that he is making by reading the document that has been tabled today.

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, the foreign affairs minister has surprisingly announced spending of 5.6 million tax dollars on public service reforms and tax reform in Lebanon.

With cuts and tax hikes on the way for Canadians, what are the government priorities, higher taxes to Canadians to pay for tax reform in Lebanon?

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, I am sure that Canadians who listen to the hon. member, and know how important our aid program is to many people throughout the world, will understand the total lack of generosity on the part of the member and his party.

The budget of CIDA is a known budget. The amount of money that has been committed to this project is within the budget allocated. There is no additional amount in it.

I can assure the hon. member that this investment in allowing a country like Lebanon, which has gone through 15 years of war, to be able to become again a prosperous country which will deal and do business with Canada is a—

* * *

• (1500)

SOCIAL PROGRAMS FUNDING

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

Last year the government undertook the social security review, and based on a document put out by the Minister of Human Resources Development, Canadians from across the country gave their time and energy to comment on those proposals.

It now seems all of that was in vain because the government is now clearly contemplating something that was not in those proposals at all; that is, a transfer to the provinces and territories of block funding for social programs, health and post–secondary education.

I would like to ask the Prime Minister directly, is it his government's intention to adapt the Reform Party's policy of abandoning national programs in health care, social programs and in post–secondary education?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, it would be very helpful if the hon. member would take the time to read the report that was just tabled yesterday by the majority of the House of Commons committee. It clearly points out that the proposal for block grants, which was part of the green paper proposal and clearly part of the set of ideas we presented to Canadians, was put forward as a way of also looking at how we can ensure a sense of national equity and fairness across the country.

Many of the existing transfer programs have no conditionality whatsoever attached to them and therefore national standards and principles are not being recognized right now.

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PRESENCE IN THE GALLERY

The Speaker: I wish to draw to the member's attention the presence in the gallery of a former colleague of ours in the House of Commons, and now the Lieutenant–Governor of Alberta, the Hon. Gordon Towers.

Some hon. members: Hear, hear.

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POINTS OF ORDER

STATEMENTS BY MINISTERS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I rise on a point of order arising out of statements by ministers this morning.

The hon. member for Peace River in his presentation remarked that he had not received certain copies of government documents from the Minister for International Trade until 20 minutes before he made his remarks in the House.

I want to point out first of all he admitted he received a copy of the minister's speech. I am also informed that at 5.45 p.m. yesterday the minister's staff attempted to deliver copies of the two documents that were tabled this morning at ten o'clock to the member's office but it was closed. They were taken to the post office and put in his post box at that time.

I am further advised that copies of the same documents were delivered to the hon. member for Red Deer through the Reform

House leader's office and were therefore available to him as a co–member of his committee.

I can only say that if the hon. members opposite do not share the information they receive in order to make intelligent comments in the House the government cannot be responsible for that.

The Speaker: I do not know if that was a point of order. Perhaps it was a point of clarification.

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, I think the kind of partisan comment we just heard is quite uncalled for. I had to make phone calls from 4.00 p.m. until 6.30 p.m. to get those documents.

The Speaker: As I mentioned to the hon. member, I do not feel this was a point of order. We are clearly now getting into debate.

I accept that all hon. members are very busy. We all do our jobs as best we can. I am sure all hon. members know that sometimes papers do not arrive on time or they are occupied otherwise and that should be taken as an explanation.

GOVERNMENT ORDERS

• (1505)

[*Translation*]

GOVERNMENT ORGANIZATION ACT (FEDERAL AGENCIES)

The House resumed consideration of the motion that Bill C–65, an act to reorganize and dissolve certain federal agencies, be read the second time and referred to a committee.

The Acting Speaker (Mr. Kilger): If I am not mistaken, the hon. member for La Prairie still had a few minutes left. Therefore, he has the floor.

Mr. Richard Bélisle (La Prairie, BQ): Mr. Speaker, why did we not abolish these positions first, since every million dollars saved has an impact on the deficit?

The Auditor General certainly made the point in his 1993 annual report. A few billion more in spending increase the deficit and, in less than a decade, inflate the accumulated debt tens of billions of dollars because of compounded interests.

In his July 8 press release the minister said that he had undertaken a thorough review of the 350 agencies and advisory boards, hoping to find reasonable and practical ways to eliminate overlapping and duplication, and to streamline in the best possible way government operations.

The minister did not say whether he consulted his provincial counterparts. Is he really going not only to reduce overlapping and duplication within the federal system, but also streamline management of the public sector in Canada, considering that there is only one taxpayer, at the federal and provincial levels?

It is so true that the main brokerage firms and credit rating agencies are talking more and more about the public sector debt in Canada.

The increased pressure resulting from public borrowing reduces the taxpayers' capacity to pay. Streamlining public administration requires agreement between the federal and provincial levels of government, and the minister did not seek the agreement of his provincial counterparts.

The most tragic in all this is that in the time it took the minister to deliver his speech, the debt of the federal government increased by $1,3 million, while the whole bill will produce less than one million dollars in savings. In the time it took me to deliver my response to the minister's speech, the debt went up two million.

In his July 8 press release, the minister said that he does not have a set objective as to the number of agencies which will be affected or the savings which could result. He added that it was the government's aim to identify the logical and practical changes to be made to improve the workings of government.

The minister does not appear to have a structured or well defined approach. He has no specific streamlining objective in mind. This does not come from me, or the Bloc Quebecois or the Reform Party, but from the actual press release issued by the minister's office.

The President of the Privy Council, who should be providing the coordination, leadership and training needed to make the project a success is leaving most of the responsibility for recommending changes within their portfolios to the ministers themselves. How can the ministers do the job? There is no objective, no plan, no decision–making criteria or parameters and no decision grid for either the departments or the ministers involved.

Are the decisions made by guess and by gosh? Is this a rigorous approach? The poor results show how poorly the thing was thought out.

All of this upheaval, this whole game of musical chairs in political appointments for a saving of less than a million dollars, which we are not even sure about, since a number of jobs have been transferred to the public service.

On the recommendation of the Minister of Fisheries and Oceans, five advisory bodies will be eliminated because they are no longer active, we are told. It is only normal, in our opinion, to abolish them. What do they advise on, when there are hardly any more fish to be caught on the east coast.

The minister's press release of December 21 promises that a total of 72 agencies will be abolished and 16 others will be restructured.

• (1510)

This in fact represents only 25 per cent of all federal agencies. We are told that this should result in the elimination of 589

positions, the incumbents of which are appointed by the governor in council. The total savings should amount to four million dollars. When will we see a piece of legislation enacting these promises?

Each press release from the minister's office mentions old measures to which some new ones are added, every time, to reach the magic four million number, but we are still waiting for a piece of legislation enacting these measures.

In our view, Bill C–65 does not go far enough in the present context. Eliminating 150 positions, adding up to a real saving of less than one million dollars, is not enough when the federal debt is growing at a rate of more than 100 million dollars a day.

We should, instead, review federal advisory bodies in the context of the fiscal restraints we are facing currently. First of all, the government must maintain the integrity of its tax base. It must recover the $6.6 billion in unpaid taxes, deal with tax evasion, tax havens and family trusts as well as the underground economy, all of which the Bloc Quebecois has denounced on several occasions. Taxes must not be increased. The middle class is paying enough as it is. We must fight resolutely and unwavingly on all fronts to wipe out the deficit.

Bill C–65 only skims the surface and shows a lack of determination and political will on the part of the government. We must first and foremost reduce the deficit and this will demand steps much more significant and substantial than those the minister is suggesting in the bill before us today.

All this will only amount to savings of four million dollars, of which more than three have not materialized yet. I will admit that the original idea was good, but in the end the objective is not bold enough. We must act much faster and go much further. In view of the huge deficit, Bill C–65 seems like a drop in the bucket of necessary reforms which can no longer be avoided.

[*English*]

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I am delighted to rise in the House today to add yet another perspective to what is happening here today with Bill C–65.

The government has undertaken to reduce the membership on some of the boards. It has even undertaken to eliminate some of the boards and direct their activities to other government departments or agencies. My first response is to give a mild cheer because this is definitely going in the right direction.

I cannot help but relate an analogy that came to my mind. I remember when I was a very young lad on the farm in Saskatchewan before we used tractors exclusively. For a while we had tractors as well as horses. I remember on one occasion the tractor got stuck and we had to use the horses to pull it out of the ditch. My dad hooked up the horses and lined them up perfectly in the right direction. Then he said 'chlick, chlick', because that was how one got the horses to go, but they just tightened up the traces. They did not make any great effort. So my father again went 'chlick, chlick' and still nothing happened. The tractor would not move. Then very unexpectedly he hauled out, brought down his hand on the rump of one of the horses in the team and gave a yell like I had never heard my father give before. The horses leaped forward and pulled the tractor out of the ditch.

I want to applaud the Liberals because I think they have the horses lined up. The problem is we need to give them a yell; we need to give them a motivation. I will not use the one we used on the horses but we need to get them going. We need to get them moving. While they are headed in the right direction, they have not yet begun to move.

One might say that cannot be because we are going to reduce costs here and this is really significant. We are going to cut government expenditures and help balance the budget. Yes, that is true. As I am going to show in a few minutes, the direction is correct but unfortunately, all we have done is just barely tightened up on the traces. We have not yet begun to pull the tractor out of the mud. It is still firmly bogged down.

• (1515)

This act has a lot of potential to look good in the press. There is a possibility here of some good symbolism, because as I said, it is moving in the right direction. Unfortunately, I do not believe it has enough substance. It is not substantive enough to do anything real and tangible. As a matter of fact, it will be very interesting to see whether there actually are savings that result in basically terminating the employment of a number of board members in these different agencies; then turning around and hiring a bunch of them back.

Undoubtedly these different departments and components of government need leadership. However, the real problem is not so much how many people are giving that leadership as how much money those departments and different agencies are spending. I briefly looked at the list of organizations that are being revised.

In the Atlantic Canada Opportunities Agency Act the number of board members is being decreased from 18 to 7. Yet, we know the proportion of money spent in the Atlantic Canada Opportunities Agency Act is very small with respect to the board members as opposed to the money they are giving away.

Perhaps we ought to look much more seriously at how they are spending their money and how that can be reduced instead of reducing simply the number of people that are, shall we say, trying to manage the affairs.

In the Broadcasting Act the number of members is decreasing from 15 to 12. In the Canada Council Act the number is decreasing from 19 to 9. I could keep on going all the way down the list.

The National Advisory Council on Fitness and Amateur Sport is being dissolved. That is a very wise decision in the sense that nowadays there is so much awareness already of the need for physical fitness that individuals should be taking the initiative on their own. We do not really need a government bureaucracy that is taking taxpayers' money in order to try to promote this.

One of the items I noted in the minister's statement was that there was a full review of all of the agencies. That too is good. I am one who is much in favour of looking at a problem, analysing it, trying to break it down into smaller pieces if possible. Identify the problems. Identify all of the possible solutions. Choose from the better solutions and eventually nail it down to those solutions which will work.

Presumably that is what this review was all about. However, it is not possible for us to get a copy of the review. I find that rather distressing. As members of Parliament who have input into whether or not this act will pass and whether it is good, we will be dealing only with the issues the government has decided to bring forward. The whole review is in fact being kept under wraps.

This is a violation of a principle of democracy as well as being a substantial violation and a breaking of a promise of the government members when they were running for election. They promised more openness and accountability. We are not receiving that in this particular process because of the fact that the total report of the review is not being made available. We are told succinctly that it is not available to us.

Why does the government not release these findings? Why is the government keeping it a secret? Speculation is all I can do because I do not have the report. Perhaps the reason might be that there were more cuts identified by the review than the Liberals are prepared to go ahead with.

• (1520)

Consequently they choose the few they want. Really what they have here are a few cosmetic changes, minor reductions in the number of board members but no substantial cuts in terms of total cost and the total efficiency of these organizations and groups.

Some of these reductions appear suspect in any case. The way the act is written is rather interesting. It says that all of the members will cease their employment, but then when that takes place the government will be ready to reappoint new members. It does occur to me that perhaps one reason we have the legislation that way is because a number of the members of these boards are probably carry overs from a previous government of a party which essentially no longer exists. There is now an opportunity to replace the members of the board from those old appointments with brand new appointments where the government so chooses.

Frankly, this adds to my cynicism and the cynicism of Canadians who are observing this. We all ought to look at that type of activity very carefully. Again I am speculating. We will be watching with interest to see what happens when this bill is passed. I am certain it will; it is a government bill. The Liberals have the majority. We will speak and will show the obvious shortcomings of it, but in the end it will pass because of the majority and because of the rule of voting with the party. Consequently, it will pass and then we will watch to see how many of the new appointees have Liberal connections.

I would also like to speak very briefly about the need to go beyond reducing. I guess this is the part of getting the horses moving. We are going in the right direction when we say: "Here is a department or an agency and we need to cut back". However, perhaps what we ought to do is to start pulling Canada's fiscal tractor out of the mud by getting the horses moving.

That might involve complete elimination of a number of these agencies. Instead of reducing from 15 board members to nine perhaps we ought to be reducing from 15 to zero and winding up the agencies and what they do. We do not as taxpayers save money if all we are doing is taking the money spending function of these people and moving it to another government agency. The money is still going to be flowing through. We need to do some hard work to eliminate the deficit. That can only happen if we reduce spending. We can only reduce spending by eliminating programs which are no longer needed and which are at the lower end of the priority level.

I am going to say again what I say in probably every speech I make here. Even just a few minutes ago there was an innuendo from the member for Yukon who said that the government might want to take the Reform Party tactics and eliminate health care and education. That is wrong. That is not our policy. We have said it, we have written it, and we will just keep on repeating it and hammering it until members opposite hear.

Our members and the citizens of this country we represent have told us very clearly that health care and education are of a top priority. That is why we want government costs and expenditures reduced and the budget balanced, so that we can continue to provide the things which Canadians have placed at a high priority.

They are empty promises to say we will keep those programs if we lose our ability to deliver them. That is very important to us. We need to reduce the programs that Canadians do not want.

In that regard I want to talk about one program specifically. One agency which is being affected here is the National Capital

Commission. There are many others and probably some of my colleagues will speak about those. I want to talk a little about the National Capital Commission. I want to speak to this from the perspective of a person who lives some distance from Ottawa.

• (1525)

As a matter of fact, until just three or four months before the election I had never been to Ottawa, being way out in the west and never having the financial means to take the huge trip out to the east. I would always have liked to but we were not able to do that within the confines of our family budget. Of course since the election, I have had the privilege of spending a lot of time in Ottawa.

One thing impressed me and that was the tonnes, the truckloads of money Canadians have poured into this region. I suppose there is nothing wrong with saying that this is Canada's national capital. Surely in this part of the country, in this city which houses our capital, we can do some special things to make it good, to make it attractive, to make it a tourist centre, to make it fun for citizens to visit and to see more than just the workings of government.

It is quite evident that after the dog and pony show of question period is over most citizens find this not that interesting. The galleries are mostly empty now and I admire those who are still here listening to this. They come to Ottawa and after question period they want to go and visit some other things.

We have museums, we have parks, we have all sorts of things. However this being the seat of government, by that token it attracts tourists here, other Canadians and indeed people from around the world. Would it not then be reasonable to ask the city of Ottawa to capitalize on that and as every other city in Canada needs to do, have it look after making other attractions in the city that will attract and help entertain the people who come here?

That happens in every city in Canada except this one. This city alone receives this huge input of government money, which translates into taxpayers' money from across the country, in order to provide these nice things. I am not speaking against what is being provided. I am saying that the money ought to be provided in a much more efficient way, managed by private enterprise primarily but also with some involvement by the city itself.

The National Capital Commission is not accountable. It is another one of those places where the taxpayers are being coerced into sending their money to Ottawa. As I said, we send it here in truckloads. At the same time, there are many areas of government where we taxpayers do not have any say on how the money is spent. We can each legitimately ask the question: What value is this expenditure to me as an individual living in a part of the country away from Ottawa, or indeed what value is it in terms of the country itself?

It is unfortunate that the National Capital Commission has decided to hold all its meetings in camera. When suggested that those meetings should be made public it said: "No, this is the same as any other crown corporation. We are not required to and therefore we will not". I do not think that is acceptable. I know it is not acceptable.

People complain to me about the high level of taxation just about every day. Those people are very upset when their money goes into a black hole, a dark sinkhole somewhere and there is no accountability on how it is spent. We do not know how much is given to certain individuals. We do not know how contracts are let. We do not know whose friends are getting paid what.

Again, it is innuendo that could be so easily solved by just doing what the Liberals said they would do, that is, having open government: openness and accountability. If there is nothing to hide, why would you be afraid of having someone look at what is happening? If you have something to hide then you will hide it. If you simply hide it, then the conclusion on the part of many Canadians is that there must be something to hide.

Right now it is winter. People back in my riding who happen to be watching this are enjoying today, a plus one day, but right here right now we are feeling the brunt of winter. In Ottawa these days, we have a little thing called Winterlude, a wonderful cultural event. Last year it cost just under $264,000. We are told that it is time to restrain ourselves, to reduce our spending and to look after the mounting debt. What is the response of this unaccountable capital commission with the Winterlude concert? The best information I have is that instead of spending $264,000, as it did last year, it is spending $383,000.

• (1530)

I know $383,000 is not much in terms of total government spending, but when a citizen is having trouble making ends meet and is being asked to pay $800 or $900 a month in taxes, seeing one–third of a million dollars being spent here, to him it is a huge amount of money. That lack of accountability is something we need to really address.

I believe we need to look very seriously at disbanding the National Capital Commission. The parts that pertain to the Canadian government could easily be transferred to public works and government services. Yes, we want to keep the grounds nice. We want to keep the buildings in repair. We need to occasionally undertake to build a monument or something like that. It could be done under the aegis of the minister, with accountability to the people via Parliament instead of just being done by an unaccountable, appointed group.

Canadians universally will be upset when they hear me say that the National Capital Commission bought new office furniture for around $2 million, selling their old stuff for $50,000. I do not know how old and how decrepit it was. Maybe it really was down to the place where when it was sat on the chairs collapsed. That is possible but I doubt it. If that were the case I do not know how it received $50,000 for the used stuff.

In these times of restraint it would be totally appropriate to say, okay, it would be nice to have $2 million worth of new furniture, but perhaps in deference to the taxpayer we should not spend it. Perhaps we ought to be under budget instead of working so hard to spend every penny that is allocated in the budget.

The NCC now has a new building that occupies 11 floors. It is larger than most city halls. We have an organization just in this city, aside from the city hall organization, occupying 11 floors in a building with $2 million worth of new furniture. I am upset with that. I represent all of the citizens in Elk Island and I believe most people across the country would agree when I say that is an obscenity which has to be stopped.

I know it is nice to have a beautiful family rendezvous centre on Sussex Drive for $250,000, but when we cannot afford it that is when you say it is a lower level of priority.

I would like to point out to the members here and to all Canadian citizens that when I say we need to get the horse moving it is not just rhetoric. It is not just trying to make a point. There have been some accusations even today about the Reform Party trying to gain popularity by making the tax revolt thing. We did not cause it. We were talking to citizens who were telling us increasingly that the deficit must be brought under control.

What is the government's plan? I will round off the numbers so I do not have to read them all. The income of government is around $120 billion per year. It spends $160 billion; hence it needs to borrow $40 billion. As a result of this bill and the savings that are promoted by it, which I cannot really figure out, when I add up the numbers in the document that we were given they come to $5.9 million. I believe the minister said the savings would be $15 million. The member for the Bloc said it was going to save $1 million. I guess at this stage we do not have any solid accounting for how much it will save. However, if we take the safe number of $15 million how big a dent does that make in the deficit? Instead of having to borrow $40 billion we now have to borrow $39,985,000,000. Big deal. It is almost insignificant.

• (1535)

I was a math teacher in my previous life. I taught for 31 years. Let us look at this as if it were proportioned down to a family. Let us say that a family has an income of $48,000. If it was patterned along the Canadian government that family would be spending $64,000 a year. With a family income of $48,000 it has to borrow every year $16,000 in order to keep going with its spending patterns which it is not willing to give up.

That family would have to reduce spending or get more income. If more income was not available it would have to reduce its spending by $16,000 a year in order not to go further into debt.

It is illustrative to look at the Liberals' projection and their goals. We hear so often—and this is wonderful—the Prime Minister and the Minister of Finance saying, "We will meet our goals". The minister was very clear. That is great.

Some hon. members: Hear, hear.

Mr. Epp: Go ahead and applaud. It is a wonderful goal.

Again, if you look at the goal in terms of the family, it would bring its borrowing down to $10,000 per year from $16,000. That is the goal. In other words, it is still going into debt $10,000 per year.

What does this bill do to reduce the deficit? For this family, which is spending $64,000 a year and borrowing $16,000, it reduces its annual spending by $6,000.

Yes, it is important. But I am saying let us get the horses moving. It is good to save $6, but we need to save $16,000. That is the proportion that this bill proposes to save in our budget. I am appealing to hon. members in the government who have the responsibility, who have the power to do something about it: Let us get with it. The longer we wait the harder it gets. While this is good, we are wasting a whole day talking about pennies when we should be talking about the billions that are threatening the well–being of all of our citizens and, indeed, this whole country.

I am very pleased the government is heading in this direction. But from all of the information and all of the input that I get, not only from residents in the Elk Island constituency but from right across the country who write to us in huge volumes, it is becoming very urgent that we reduce our deficit. Let us get on with it.

The Acting Speaker (Mr. Kilger): We will now proceed to the next stage of the debate where members will have up to a maximum of 20–minute interventions, subject to 10 minutes of questions or comments.

Mr. John English (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, I will be sharing my time with the hon. member for Outremont.

I would like to respond before I begin debate on this bill to the points raised by the hon. member for Elk Island. One of his specific remarks was when he talked about the agency review being conducted in secrecy. In fact, there will be a report on the process which will explain what the process was, how it was

carried out and what the results will be. That report will be appearing very shortly.

Second, he talked about his early days with his father on the farm and about a tractor and a horse. He suggested that in the case of the Liberal government we have the horses tugging at the tractor but it is not yet out of the mud. In fact, if you look at the details of what we have done—and this touches on some questions which were posed earlier today—I think the hon. member will agree that the tractor is out of the mud and is moving fairly briskly.

We have eliminated 589 governor in council positions, agencies close to the type we talked about. I accept the congratulations that he offered to the government for what we have achieved. In fact, we have made only 700 appointments to agencies, boards and commissions. Despite what the hon. member suggested, some of these boards and commissions such as the National Archives Advisory Board are essential to the operation of the government. It brings to government the advice of ordinary citizens of the type we hear of so often from members of the Reform Party, and rightly so in that respect.

• (1540)

Even the *Globe and Mail*, when trying to find information on this particular matter, could identify only 80 of the 700 appointments we have made with the Liberal Party. To give members an idea of how the tractor is moving very quickly, in the period November 4, 1991 to February 3, 1993, the previous government, the Conservatives—and I recognize that the hon. member was not a part of that government—made 1,819 appointments. In summary, the Liberal Party has abolished 589 of these positions and has appointed only 700. The previous government in exactly the same number of days appointed almost four times as many as the number we did. That is not quite the right math, but it is close enough for my friend who was a mathematics teacher.

Having made these comments it is my pleasure to begin debate on Bill C–65. This bill, as the minister indicated earlier, amends the statutes that established 15 federal boards, agencies or commissions in order to reorganize the boards or reduce the number of members and to dissolve seven other federal organizations. The passage of the bill will eliminate and streamline the operations of these federal agencies and will improve their efficiency and their service to Canadians.

Why are we doing this? We are doing this because we know that the world is changing rapidly and government must as well. In order to remain a strong competitor in the marketplace, as a country we need to adapt to the new challenges we face in the global environment. To remain competitive we know that we must, as the private sector has, undergo an unprecedented period of change and restructuring. We recognize the inevitability of change and we are committed to bringing good and efficient government to Canadians. In managing this change we wish to do it in a fashion that is fair, careful and never casual.

Earlier the hon. member for Elk Island talked about the possibility of abolishing certain boards quickly. We have carried out a careful process that looks at what the boards do. I would suggest that if members look at the list of boards they will find many with whose functions they agree in their entirety. They will also find many boards that are carrying out functions that are essential to the operation of government.

The danger, as the member for Carleton—Charlotte said to me, to make an analogy to another animal, the cow, the Reform Party cow if you like, may give a good pail of milk but it will then kick the pail over. We do not want to do that. We want to look at the agencies that work and many of them are working very well.

The Public Service of Canada is an effective and efficient public service by any measure internationally and it has over the past provided Canadians with services of the highest quality. Where services are duplicated, and they are, they will be merged and streamlined. Where agencies and boards are obsolete they must be eliminated. In other words, the government must continue to serve our taxpayers effectively but it must do so in alignment with their needs and with less resources.

We promised Canadians in the red book that we would renew government and reduce its size and unnecessary cost. As part of the initiative, the finance minister announced in his budget last year that a review of all federal agencies would take place. That review has been conducted under the leadership of the Minister responsible for Public Service Renewal. The objective, as it was set out in that review, was to eliminate unnecessary or inactive organizations, streamline operations by examining the size of boards and the remuneration of members; ensure that the role of these bodies was geared to meet the challenges of today and the demands of the years ahead. Those were the criteria for the decisions made about these boards.

The first decisions were announced in July of last year by the Minister of Intergovernmental Affairs. These announcements reflected the recommendations given to the minister by the individual ministers responsible for agencies. They included the Ministers of Canadian Heritage, Finance, Fisheries and Oceans, Health and National Defence as well as the Minister responsible for the Atlantic Canada Opportunities Agency.

• (1545)

This bill then is the first of two omnibus bills to implement through legislation the streamlining measures for agencies and boards announced since this government took office. It also allows for the streamlining of the operations of a number of agencies, boards and commissions by reducing the number of board members, as has been done with the boards of the Canada Council and Petro–Canada, folding one organization into another, as in the case of Emergency Preparedness Canada which was

folded into the Department of National Defence, the kind of approach the member recommended earlier, or combining functions of organizations such as merging the Procurement Review Board of Canada with the Canadian International Trade Tribunal.

When these decisions were announced the Ottawa *Citizen* wrote an editorial congratulating the government: "Yuletide is a traditional season of political patronage appointments with a generous distribution of partisan favours at public expense, so it is especially happy news that 314 patronage positions have just been abolished by the Chrétien government".

It goes on to point out that not all these boards are bad and that patronage sometimes serves a good purpose: "Boards and commissions can do work beyond the competence of the public service sometimes and patronage in its place can allow a government to choose the people it wants to execute policies it was elected to advance. Jean Chrétien's ministers are right to scrutinize these governor in council positions, all 3,000 or them, one by one", which is what we are doing. "If patronage appointments are not doing something essential to the public interest or doing it better than public servants could, the positions should be eliminated".

That is the criterion we have employed.

In conclusion, the agency review was conducted in conjunction with a number of other reviews, including the program review which has examined federal programs and services as well as policy reviews.

This process of examination will not come to an end with the formal completion of the agency review but will, members have suggested earlier, continue as an integral part of providing Canadian taxpayers with value for their money.

We know the importance of meeting our commitment to provide Canadians with good government. Improving how our nation is governed remains a priority with this government.

The bill before us makes sensible changes in a reasonable way while ensuring national interest is served. It will result in administrative savings and increased efficiency and delivery of government. I would urge hon. members to ensure speedy passage of this legislation because it is the kind of bill that all members can support. The Ottawa *Citizen* said in December: "Marcel Massé is on the right side. He is on the side of fairness, flexibility and efficiency in government".

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I thank the member for Kitchener for his very well reasoned, prepared speech. It was well delivered.

I want to say something about this farm analogy which occurred to me the instant he said it. He indicated that he thought Reformers, after the pail was full of milk, would then kick over the pail—not so. We are more committed than anybody around here to very carefully carrying that pail because it is not our milk. It belongs to the taxpayers.

Also, the thought occurred to me that before they kneel down on the stool beside the cow, they are forgetting to check whether the pail has a bottom. Theirs does not. When putting $120 billion a year into the government coffers as Canadian taxpayers are and there is $160 billion coming out of the bottom, we know the hole at the bottom is larger than the input at the top. That is an item of great concern.

I want to ask the member to respond to a question having to do with the urgency of reducing the deficit. Does he acknowledge—I know he cannot speak for the other members of his party—that the leadership of that party is an item of great concern to thinking Canadians because of the rapidly growing debt? Even if they are on target they are going to be adding roughly $80 billion to $100 billion to the debt before this Parliament is finished. Even very modest interest rates of 5 per cent indicate an additional cost of $5 billion per year. Just having the debt grow at this rate adds basically one–eighth to our present deficit without any additional programs being financed.

● (1550)

What I would like to hear just one Liberal member say is it is time they attack this, attack it vigorously and quickly and very effectively to get government spending down.

Mr. English: Mr. Speaker, I am confident that the member when he sees the budget when it is produced probably later this month will see that this government is serious about the deficit. We have given every indication in public statements by the Prime Minister, in statements by the Minister of Finance who has engaged in a very long process of consultation, longer than any other consultation by previous finance ministers. He has done so with a commitment to fighting this deficit and of course by implication the debt.

In terms of the debate about various animals there is a difficulty with the Reform Party's approach to government and we can talk about *Animal Farm*. There is a slogan in that book: "Two legs good, four legs bad". What I find troubling, with respect, about the criticisms of agencies which I heard from the hon. member for Elk Island is that all the agencies were lumped together.

If we actually look at the list of agencies affected by this legislation we see that some of them are essential. As I said before the National Archives of Canada advisory board decides independently apart from the bureaucracy what documents must

be kept. I am certain the hon. member would not want to entrust to the public service the decision on which documents generated by bureaucrats should be kept. Obviously it has to be private citizens with some knowledge of the subject.

The Canadian cultural properties export review board looks at the value of properties that are exported in terms of their value as part of our national heritage. These are essential boards with activities that are best done by private citizens appointed to these boards.

In terms of appointments we can see that these boards are being reduced in size. We are eliminating positions where they are not necessary. It seems to me that anyone would agree a lot of these agencies are essential.

[*Translation*]

Mr. Martin Cauchon (Outremont, Lib.): Mr. Speaker, I would like, first of all, to thank the parliamentary secretary for sharing his time with me.

I should say from the start that I am very proud to be able to contribute to the efforts made by the minister in charge and the government in general.

Bill C–65, an act to reorganize and dissolve certain federal agencies, is a piece of legislation that fits into what we could call changing times. It is no secret that governments the world over are facing dramatic changes. Canada is embarking on a significant economic realignment. The same is happening in Europe and in many other areas of the world. Free trade zones which will define our future and create the jobs of tomorrow are being created everywhere.

When I talk of major realignment, I am thinking of the major changes that are taking place, changes that we must accept in Canada and to which we must adapt. To face these changes, we, the Canadian government, must essentially rethink the role of the state. Speaking of reforming and rethinking the government's role, you will remember that when the current government came to power in 1993, the Prime Minister declared in this House that we would be proceeding with four major reforms, which essentially aim to rethink government's role in order to better serve the interests of taxpayers as a whole. That is our role as the government, and that is our task as elected representatives.

Speaking of four reforms, I think I should take the time to list them. These four reforms are the cornerstones of the government's policy.

• (1555)

There is the reform of Canada's economic structure, which will now lead the government to concentrate its efforts on small and medium size businesses, which, as we know, create 85 per cent of all jobs in the country.

There is also the reform of taxation. The parliamentary secretary stressed earlier that we will obviously have a clear idea of what the current government means by tax reform when it tables its budget at the end of the month. Let us also talk about a major reform, a most comprehensive reform, on which a partial report was tabled yesterday: the reform of social programs. These programs make us the envy of many countries around the world and ensure that we Canadians have in common the values of co–operation, sharing and tolerance. And lastly, there is the fourth reform we are dealing with today, the reform of the government machine.

I am proud to support this bill because of its intrinsically very modern and dynamic vision of what the government should resemble in 1995. The objective of this bill is to reorganize 22 government agencies. Of these 22 agencies, 15 will be completely dissolved. As a result, firstly, approximately $1.5 million will be saved annually. But given the vision of the present government, the machinery of government will be much more flexible, much lighter, closer to the population and, obviously, will be called upon to deliver much more appropriate service. This is our role in government, as parliamentarians, and I am proud because that is the desired objective of this bill.

You know that Bill C–65 represents a continuation of the government's policy of reforming the government machinery since the minister has already taken certain other steps in this regard and, in sum, there are presently 119 agencies in Canada which have been reorganized, some of which have of course been dissolved.

Reorganizing the machinery of government also involves new policies. People are looking for clear and straightforward policies, with government structures existing solely to serve the public. And when we speak of streamlining the machinery of government, which this bill addresses, we are meeting the needs of the people as a whole in this regard, too.

When the Conservatives were in power, from November 1991 to February 1993, they appointed a total of 1,819 of their friends to these quasi–governmental agencies; these 1,819 partisan appointments did not in any way serve the interests of the taxpayer. So there you have Liberal government policy, a policy issued by a government which regards itself as, and indeed is, very progressive.

This bill of ours is indeed a dynamic one. It shows the commitment of the government to tackling the real problems. It also shows that our government is a responsible government, and fiscally responsible as well. That is what the Canadian people as a whole expect.

Of course, on the subject of responsible government, I must admit that, if you compare what is being accomplished in this House to what the separatist government is doing in Quebec, the contrast is quite striking.

• (1600)

While we, in Ottawa, are downsizing, trying to have a system that will serve the people better, the separatist government in Quebec wastes public money, as you know, on the famous commission on the future of Quebec, a regional commission that

will cost at the very least between $5 and $6 million to the Quebec taxpayers. And this commission will deal with a biased bill in which only one option is considered, it being, of course, the separation of Quebec, the option advocated by the Parti Quebecois as well as all the members of the Bloc Quebecois in this place.

The problem with these people is that, basically, fundamentally, they are not there to serve the interests of the taxpayers and the people of Quebec, but the very narrow interests of a group of people with one political purpose in mind, namely the separation of Quebec.

I for one am convinced that the step we are taking with this bill, the policies put forward by this government, will show the people of Canada and Quebec that you can go a long way with a government who has vision, a government intent on building. In that context, I am convinced that, in the referendum, the people of Quebec will tell the separatists that they have had enough of this squandering of public funds and, from now on, that they want their political leaders to deal with real problems and help improve the standard of living in Quebec and build a better Quebec as part of what I might call the Canadian coalition, as part of the Canadian federation.

Coalitions, huge trade zones are the way of the future, and Quebec wants to be a part of this. The people of Quebec are very broad–minded. They will never stand for the narrow and obtuse view represented by separation, because it is not in their interests.

This being said, let me tell you again, Mr. Speaker, how proud I am to join in the minister's efforts in support of this bill which is basically aimed at the renewal of federal administration and government.

Mr. Paul Crête (Kamouraska—Rivière–du–Loup, BQ): Mr. Speaker, I am surprised but when we know how the member who spoke before me is out of touch with Quebec reality, his vision of things should not come as a big surprise.

I wish to remind him that the government which, according to him, does not meet people's expectations was elected by 45 per cent of voters on September 12, 1994, that it was committed to holding a referendum on sovereignty and that even the Prime Minister wanted this referendum to be held as soon as possible.

Of course, when we look at the democratic process under way in Quebec from his perspective, no nation in the world is currently undergoing such a process in order to define itself, to say how it wants to prepare for the 21st century. Of course, that is not consistent with the centralizing vision of the government, which thinks that the truth can be found only in Ottawa, and we can see the results.

These results include the Axworthy reform, which required a five–week tour of Canada so that people could say time and again to the Liberal majority that a two–level UI system did not make sense. This required five weeks of consultations across Canada. I think that people throughout Quebec should have their say on how Quebec should define itself as a country. People are currently participating in all the different commissions.

People are flocking to say what kind of Quebec they want, to express their agreement with the bill tabled by the Quebec government, to say that Quebec belongs to them and that they have the right to define it as they see fit.

As for his opinion that coalitions are the way of the future, he should keep in mind that 28 new countries have joined the UN in the last 10 years and that, with free trade, it is no longer necessary to be a large political entity to reach major markets.

• (1605)

Small countries can have access to large economic markets and do very well on international markets.

It is not true that countries must be very big to hold their own in the new global economy. This theory is not consistent with current reality.

If, instead of holding a forum on health care without inviting the provinces, instead of using their majority to set aside a proposal to hear provincial authorities during the Axworthy reform hearings, the Liberal government had decided to hold real consultations while respecting the structure and jurisdiction of each level of government, we would have ended up with a much more democratic process, as the Quebec government's current process will be.

Mr. Cauchon: Mr. Speaker, it goes without saying that the remarks of my colleague from the Bloc Quebecois do not surprise me either. He says that I am out of touch with reality. The members of the Bloc are welcome to look at my schedule to see who spent the most time in Quebec.

I can assure you that no member of the Bloc Quebecois was more present in Quebec than I was during the past year.

My honourable colleague from the Bloc wants to teach me a thing or two about democracy. He should start by looking at the actions of the Parizeau government in Quebec to see how democracy can be distorted, to see the shameful things that are taking place in Quebec as we speak. A democracy in shackles, Mr. Speaker!

In order to present the whole picture, Mr. Johnson's party asked for permission to distribute information pamphlets using government facilities. It was refused. And they call this democracy, they who use their majority to go ahead with commissions, the sole purpose of which is to secure Quebec's separation, by

any means possible. They are afraid of finding out what Quebecers really think, and this is the reason for this tainted process.

What is taking place in Quebec is shameful, truly shameful. There is much we could say about what is going on there. Take Mr. Parizeau's trips abroad. I regularly have the opportunity to travel abroad as a French speaking Quebecer, as a member of Parliament, and I am proud to be from Quebec, when I find myself in another country, and to be able to negotiate with other countries as an equal. But when I see Mr. Parizeau seeking the blessing of other nations, seeking their views on whether or not to go the independence route, I am no longer proud. I feel almost like some poor colonial when I see their cap in hand behaviour on the international scene.

Quebec is greater than that. It is a great province, great on its own merits. It has made its mark within Canada and we will continue to build this wonderful country with Quebec's best interests at heart.

[*English*]

Mr. Epp: Mr. Speaker, I rise on a point of order. I really hesitate to do this on a point of order, but Standing Order 11(2) clearly indicates this thing called relevance. I think we have strayed significantly from Bill C–65.

The Acting Speaker (Mr. Kilger): The member's time has lapsed and we will now resume debate.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

AUTHORIZATION FOR COMMITTEE TO TRAVEL

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I hesitate to interrupt this lively debate but I have a couple of consent motions I think the House will agree to at this point.

[*Translation*]

I move:

That the Standing Committee on Transport be authorized to travel to Montreal, Quebec City, Mont-Joli, Vancouver, Hamilton, Thunder Bay, St. John's, Charlottetown, Halifax and St. John, from February 6 to March 17, 1995, for the purpose of holding hearings in relation to the Committee's consideration of marine policy, and that the necessary staff do accompany the Committee.

• (1610)

[*English*]

The Acting Speaker (Mr. Kilger): The House has heard the terms of the motion by the hon. parliamentary secretary. Is there unanimous consent?

Mr. Silye: Mr. Speaker, I would like clarification of whether there is a limit to the amount of money allocated for this travel.

Mr. Milliken: Mr. Speaker, the motion itself does not limit the amount. In accordance with normal practice the transport committee has sought and obtained the consent of the liaison committee through the subcommittee on budget. Naturally they applied for and received a budget allocation for this trip.

Mr. Silye: Mr. Speaker, I know we discussed it in a House leaders meeting, but I do not know why there is reluctance to mention the amount.

Mr. Milliken: Mr. Speaker, it is just not normal to review all those facts in the presentation of these motions. The motion is to authorize travel. There is an amount fixed for the travel in accordance with the decision of the subcommittee on budget, which was made yesterday.

(Motion agreed to.)

* * *

ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I think you will also find unanimous consent for the following motion:

That items standing on the Order Paper under Government Business, Nos. 14, 15, 16 and 18 be withdrawn, and further that item No. 19 on today's Order Paper under Private Members' Business, a motion standing in the name of the hon. member for Glengarry—Prescott—Russell be also withdrawn.

(Motion agreed to.)

GOVERNMENT ORDERS

[*Translation*]

GOVERNMENT ORGANIZATION ACT (FEDERAL AGENCIES)

The House resumed consideration of the motion, that Bill C–65, an act to reorganize and dissolve certain federal agencies be read the second time and referred to a committee.

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, I rise in the House today to speak to Bill C–65, the purpose of which is to reorganize a number of federal agencies. I must say I was surprised to hear the minister refer to this bill as an example of renewed federalism, as an indication that the government is proceeding in a constructive manner and is adjusting to change.

Earlier, I was amazed to hear the hon. member for Outremont referring to Bill C–65 as though the changes that were taking place were truly impressive. He used any number of adjectives to drive the point home that this bill is a major change for the Liberal Party and a sign of the progressive and dynamic initiatives being taken by the government.

Well, if we take a close look at this bill, if this is supposed to be renewed federalism, it is not moving very fast. As the hon. member for the Reform Party said earlier, it may be the right direction but progress is slow.

The hon. member for Outremont has the audacity to criticize Quebecers with regard to the proposed commission on the future of Quebec and to accuse us of not being democratic in our approach. He prefers the kind of back room democracy that assumes that voters, all these people who are listening, will believe anything.

To claim that Bill C–65 marks an impressive change is to assume that people do not know enough to tell the difference between a thunder clap and a fart.

• (1615)

Because when all is said and done, what the government has produced with Bill C–65 is a mere fart, a fart they are trying to disguise as an impressive roll of thunder, a portent of fundamental changes to the government's apparatus. But under all the rhetoric it is just a fart, and one has to call it that because this lingering odour of—

The Acting Speaker (Mr. Kilger): I was not listening to the interpretation. I do not know how it was translated. However, I would like to ask all members to co–operate by using the most appropriate wording possible.

Mr. Marchand: Mr. Speaker, to use a more stylish expression, let us say that there is a significant gap between reality and what is being proposed. If we put things in perspective, we realize that the federal Liberal government is making fun of people, as did the hon. member for Outremont when he exaggerated with a little smile on his face.

Bill C–65 does provide for the reorganization of certain agencies and commissions. The number of members of some 15 boards is reduced from 12 to nine, while other agencies are dissolved. For example, the Canadian saltfish corporation is abolished, and it is not too soon. After all, it has been a long time since there was any saltfish to sell; yet, that corporation is still in existence. Such a measure is obviously appropriate, as are all the other changes proposed in Bill C–65. These changes obviously make a lot of sense.

I could mention other examples. In the past, there were such excesses that the least we can do is to make these cuts; in fact, we should go even farther. Indeed, this is the problem with this bill: the government barely cuts into the fat because, once again, there is the issue of patronage, of appointments made by the government to reward long time members and friends of the party, as well as those who helped get the Prime Minister elected. All in all, some 125 patronage positions, out of a total of close to 3,000, are being abolished. This is a small step in the right direction, and we are told that it will result in savings of about one million dollars. This is said to be a very important saving for the government.

To put this in perspective, I would like to remind you that while eliminating a few patronage appointments will apparently lead to one million dollars in savings, the government has already taken a few billion dollars from the unemployed in Canada and is constantly finding all kinds of ways to attack the poor. For example, with regard to public housing, 110,000 Quebec households will soon see their rent increased by about 30 per cent. These 110,000 households who live in low cost or co–operative housing are among the poorest in our society. Their average income is about $10,000 a year.

• (1620)

The government drags its heels when it comes to making significant cuts in patronage appointments, and yet it does not hesitate to take $500 more a year from the poor, who earn just $10,000 a year, in order to recover $26 million. This is only in Quebec, but it has already happened in other provinces. The government has already succeeded in increasing the rent in most provinces.

The government is giving the impression that it is cutting the fat, but it is really keeping the patronage system in place and making marginal cuts while increasing the burden that the poorest people in our society must bear.

So I am extremely disappointed when I see Liberal members rise in this House to say that Bill C–65 represents an important shift in the Liberal policy. People should understand that Bill C–65 brings only minor changes.

The elimination of 125 to 150 patronage appointments out of a total of nearly 3,000 is obviously a good thing; I cannot say that it is bad. The government is cutting some fat, but if it could eliminate half of these appointments, it would really show its willingness to reduce patronage, as it promised to do in the red book during the election campaign.

The current prime minister had indeed said that he would change the patronage appointment process and abolish or at least reduce such appointments. Now, with this decision, the government is reducing a number of patronage appointments, without however changing the whole system; the patronage appointment system remains the same. This is only the Liberal version of what went on these last eight or nine years under the Conservatives. The same type of patronage goes on, despite all the promises to get rid of it.

The director of Liberal appointments, Penny Collenette, the spouse of our Minister of National Defence, said in 1993, not long after the election of the Liberal Party, that the selection criteria for these appointments would rather be based on capacity, merit, integrity, honesty, and community service. In fact, Mrs. Collenette was only trying to reiterate to Canadians and convince them that things were about to change.

But of course, her statement was refuted by Liberal Senator Rizzuto, a Quebec Liberal organizer, who promised in October 1993 to find jobs for every defeated Liberal candidate. And indeed, he did it. In fact, a list was published recently in the *Globe and Mail*, containing around a hundred political appointments to various boards, associations, and commissions.

• (1625)

Under the title "It pays to be a Liberal", the *Globe and Mail* published a whole page giving a list of people for whom it really paid to be Liberals, people like Richard Croft, director, National Research Council, former Liberal fund–raiser and key leadership organizer for the present Prime Minister; Patrick Lavelle, chairman, Federal Business Development Bank, Ontario chairman of the present Prime Minister's leadership campaigns in 1984 and 1990; Jack Reid, Governor General of Saskatchewan, chairman of the present Prime Minister's leadership campaign; John Cordeau, director, Petro–Canada, Manitoba campaign chairman for the present Prime Minister; David McLain, chairman, CNRail, fund–raiser in the leadership campaign of the present Prime Minister. I could go on.

That is an impressive list. Interestingly enough, the Ottawa newspaper *Le Droit* indicates that in the 25 most important patronage appointments by the Liberal Party, in that long list, only three go to Quebecers. That does not mean there were no patronage appointments in Quebec. There have been many. The list contains the names of Benoît Choquette, Auguste Choquette, Margo Brousseau, a defeated candidate in Louis–Hébert who was appointed director of the Quebec Port Corporation, and many more.

For the sake of its squeaky clean image, this Liberal government has established new procedures to select political nominees. Some people can be fooled into believing that justice will prevail, and that administrative procedures will secure the appointment of the most qualified candidate, even if he or she has no political affiliation.

A certain Mr. Hall quickly came back to reality, as did many others when they lost potential jobs to the hands of candidates who had chosen the political path and who obtained the positions without even going through an interview.

The Prime Minister, who knows the answers to all questions, says he cannot eliminate the 65 per cent portion of the population who has the good sense to support the Liberals. He will not punish people who vote the right way. According to him, nominations are made on the basis of skills and competence, and that cannot be determined unless he knows the person. What an unshakable logic! According to that way of thinking, no one in the world would ever get a job unless he or she personally knows the boss. Goodbye personnel manager, hello contacts.

How strange that this government can maintain its popularity in spite of its inaction and its outrageous patronage. Just think, more than 100 Liberals profited from political nominations. I even read some editorials that claim that the figure is closer to 400. What is the exact number? In any case, over a period of fifteen months, it represents more than one nomination a week. Why were Canadians and Quebecers so deeply shocked when the Tories practised patronage if they can now accept the Liberal nominations with such lack of concern?

Whatever the reason, this government is well aware of its failsafe popularity and uses it shamelessly to its advantage. Whereas tories would place one friend in a position and everyone would shout murder, nowadays the Liberals make just as many nominations, if not more given the present pace, and all agree wholeheartedly that, after all, the candidate was the most competent one for the job. What hypocrisy on the part of the Liberals who, when on this side, denounced all Conservative patronage appointments and called them a form of political corruption, but now that they are in office, they ostentatiously play the same game, saying: See how good our judgment is, see how competent our candidate is. Is it not incredible how transparent we can be in politics?"

The prime minister should read his speeches anew. Here is what he said during the election: "I warn all my colleagues that they get into politics not to help themselves but to serve the Canadian people." They now realize that charity begins at home.

• (1630)

The *Ottawa Citizen* recently contained the following:

[*English*]

"The Chrétien campaign promise was emphatic and unequivocal. The Liberals would end nine years of Conservative misrule and the squalid patronage that went with it. In the Liberal red book's own words, a Liberal government will review the appointment process to ensure that necessary appointments are made on the basis of competence. That was the promise and a good one it was. Only a restoration of integrity could dispel public cynicism and replenish the strength of the government itself. But as it turned out, the Liberals have taken up the patronage trade with a Tory like enthusiasm". That is from the Ottawa *Citizen*.

[*Translation*]

Also, there was a general outcry concerning the Liberal patronage appointment process. Here is what a well–known individual said: "When appointing faithful slaves to various positions, the Liberal government has its nose in the trough, is bringing the cause of federalism into disrepute and is giving the rest of the world the impression that the Canadian political system is based on stupidity".

I will make no secret of the fact that these comments are from the leader of the Reform Party who is right for once. The government's shameless patronage appointment process undermines the integrity of the Canadian system and the image of federalism and reinforces the people's perception that the system is corrupt.

In fact, when a government is elected by making promises that it will not keep, when a government promises to reduce patronage but does not do it, and when it tries to reduce its debt on the back of the destitute, it is time that such a government be removed by the Quebec people. I think Quebecers now understand they will be better served by a sovereign government in Quebec.

Mrs. Pierrette Ringuette–Maltais (Madawaska—Victoria, Lib.): Mr. Speaker, I have listened amusedly to the hon. member's remarks. He talked about loyal slaves and described political appointments as a shameful practice showing how corrupt the Canadian political system is.

I would like to know if he has a list of the political appointments made by the Parizeau government and a list of the Quebec senior government officials who have been dismissed when Parizeau was elected.

Just in the past four months, there has been a spectacular political appointment in Quebec that made the headlines: that of the president of Radio–Québec. Now the Bloc member comes and tells us that political appointments are used to reward loyal slaves and that the people of Quebec find it shameful.

I think that when the hon. member has the chance to get out of here and take a good, hard look at himself in the mirror, he will figure out whether his approach makes sense or not. He will see that we are a little bit all over the place today.

• (1635)

Mr. Marchand: Mr. Speaker, I must inform my hon. colleaque that it was the leader of the Reform Party who spoke of loyal slaves. And he was right, because he was referring to the appointment of the governor general and the appointment of certain Liberals to the upper House, the other place, the Senate, which is perhaps the highest patronage appointment of all in the federal system.

Bill C–65, in essence, may be showing only a small part of the big picture of patronage in the federal system. It does not tell the whole story about the huge amounts wasted on all those appointments that are made—nearly 3,000 patronage positions—not including all the squandering going on regarding the other place. Here we have 102 extremely well paid individuals who may or may not be doing much to further the cause or the well–being of ordinary people. It is the highest body of patronage and it is a part of the federal system.

At present, the federal system is so mismanaged and is plagued with so much patronage and squandering that we are stuck with this incredibly huge debt, a $600 billion debt that is extremely difficult to reduce. Again, I think that the people of Quebec are getting the picture and I am sure that they are looking forward to the referendum to cast aside this system that no longer serves their interests.

Mrs. Pierrette Ringuette–Maltais (Madawaska—Victoria, Lib.): Mr. Speaker, indeed, I can see that the hon. member was unable to answer my questions on political patronage in the Parizeau government. Perhaps I could also point out to our colleague from the Bloc, when he talks about the other place, at a time when—

The Acting Speaker (Mr. Kilger): The hon. member for Charlevoix, on a point of order.

Mr. Asselin: Mr. Speaker, the hon. member for Québec–Est was engaged in a debate. The hon. member for Madawaska—Victoria rose during the period for questions and comments. The hon. member for Québec–Est should be the one who concludes the debate. This is turning into a debate between two members.

The Acting Speaker (Mr. Kilger): Order. Obviously, if, during the ten minute period for questions and comments, other members had indicated an intention to ask questions to the hon. member for Québec–Est, who had the floor, I would have recognized them. I asked if there were any questions or comments. I looked around and the hon. member for Madawaska—Victoria was the only to rise. Consequently, she still has the floor.

Mrs. Ringuette–Maltais: Mr. Speaker, I thank you for recognizing me. The Bloc member answered my question by alluding to the other place. However, I can tell him that it is his supporters, the separatist PQ party in Quebec, who formally opposed any change to the Senate during the last national referendum on the Constitution. Come on, be serious!

The hon. member should look at what goes on in his own party before commenting on what takes place within other parties.

Mr. Marchand: Mr. Speaker, the hon. member still does not realize that we are not interested in changing the way the other place operates. We just want to get rid of it. We want to get rid of the other place because it is just a waste of money, like most patronage appointments in the federal system.

If the federal government, if the Liberal Party really wanted to improve the system to reduce the debt, it could have used this bill to reduce the number of agencies without reducing efficiency. It could have used it to really reduce the number of members of boards of directors and committees.

• (1640)

In fact, the government could have introduced all these measures in one fell swoop, if it had been so inclined. Not so. They are doing this piecemeal to give us the impression they are working very hard. There will be subsequent legislation to implement another 125 cuts in a matter of weeks or months. Just to give the impression that, my goodness, this government is really working, although the fact is they are not doing much to reduce patronage. Instead, they are doing everything they can to get money out of the pockets of the needy, those who have no resources at all, like the people in substandard housing and the unemployed. These people are being hit, but careful how you treat the friends of the party. Once again, I want to make it clear to the hon. member that as far as the other place is concerned, we do not want to change it. We just want to get rid of it.

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I listened carefully to what the hon. member was saying, and I must say that the hon. member has a very short memory. As a professed separatist although he is a Franco–Ontarian, he probably remembers Denis de Belleval who was a well–known PQ minister but nevertheless accepted the offer of an order in council appointment from his good friend Brian—we all know who that is—to the board of directors of VIA Rail. I wonder whether the hon. member remembers those appointments.

Perhaps he also remembers, and I am sure the name will ring a bell, a woman in North Bay who had been appointed to the board of directors of CN Rail. When her appointment was announced, the *North Bay Nugget* interviewed her and asked:

[*English*]

"Madam, why do you think you were chosen as a member of the board of CN Rail?". She answered: "I come from North Bay, a railroad town, and my grandfather was a well known railroader in the maritimes". The individual's name was Marie Marchand of North Bay.

[*Translation*]

Mr. Marchand: Mr. Speaker, as far as Mr. de Belleval is concerned, I cannot speak for him, since this was one of the appointments that were made under Mr. Mulroney's Conservative government.

It all goes to show that following the example of the Conservatives is not necessarily the best way for the Liberals to improve things in this country, and in fact, if we look at what the government is doing now, the Prime Minister is about to go further than the former Conservative Prime Minister, Mr. Mulroney, ever did. That is the problem. Meanwhile, they are making all these cosmetic changes but people are not easily fooled. They realize that the Liberal government is doing exactly what the Conservative Party used to do.

[*English*]

The Acting Speaker (Mr. Kilger): It is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Fraser Valley West—the Atlantic Canada Opportunities Agency.

Mr. John Godfrey (Don Valley West, Lib.): Mr. Speaker, I am very pleased to address the matter of the second reading of an omnibus bill concerning the elimination and streamlining of federal agencies.

In July of last year the Minister for Public Service Renewal announced the decision to eliminate 21 agencies, boards and advisory bodies and 275 governor in council and ministerial appointments.

The bill before members today is part of that initiative to eliminate and streamline 15 agencies and 150 governor in council appointments.

The July announcement represents a partnership initiative among federal ministers involving the ministers of finance, fisheries and oceans, government services, health, industry, national defence, national revenue and public works.

As we headed into the last election the Liberal Party of Canada recognized that one simple question stood out in the minds of Canadians: What kind of a country do we want for ourselves and for our children?

• (1645)

Among the qualities we identified, we recognize that we want a country whose governments are efficient, innovative and co–operative, not only with each other but with other sectors as well.

The red book states that as a government we have premised our agenda on an integrated and coherent approach to economic, social, environmental and foreign policy. As a government we want to explore innovative and creative solutions to old problems, looking at them from a new perspective. And as a government we know that it is necessary to tend to one's own housekeeping.

We have therefore chosen a plan of action that will help us streamline government activities, make government less cumbersome and therefore develop better government and to adapt the structure of government to provide improved services to the public. To do this, we have to determine whether specific government programs, agencies, boards and advisory bodies actually deliver results over time.

The omnibus bill which is before the House for second reading today is an important and progressive part of that process. Our aim is to establish better, more efficient and more effective government. The passage of this bill will bring us closer to that goal.

Today's climate is one of change. Canada as a nation, the federal department, the agencies and crown corporations for the

Department of Canadian Heritage and the myriad components of government cannot escape this one inevitability, change. Three factors contribute to this atmosphere of change.

First, fiscal restraint is forcing us to rethink the way that governments do business. The reduction of the deficit is in the interest of all Canadians and constitutes a priority of our government.

Second, the global village of which Marshall McLuhan wrote so prophetically in 1962 has become a reality. In particular, the globalization of world markets creates a new context for business and trade, a context which is increasingly important to Canada which is becoming more and more dependent on exports. This context demands that the machinery of government be up to date, finely honed and highly effective, capable of responding to an international economic environment in which transactions take place instantaneously.

Finally, the relentless evolution of new technologies impels us to revisit the means by which we distribute products and services among the population. Canada, which has repeatedly overcome challenges of geography and climate, particularly today, is no stranger to revolutions in communications.

The red book has articulated our commitment to simplify public sector structures and streamline operations wherever possible to respond to today's changing environment. We also want to encourage creativity and innovation in meeting challenges, not as problems but as opportunities.

Toward these ends, my colleague the minister has undertaken this exercise which promises to bring efficiency gains. It is an exercise that will maximize the opportunity for the good governance of the work that agencies, boards and advisory boards do.

Our goal is clear: to modernize the machinery of state with a view to rendering government more efficient and more responsive to the needs of the citizens which it serves.

The Department of Canadian Heritage along with the agencies and crown corporations of the Canadian heritage portfolio participated in this renewal exercise. As a result it was a very collaborative, open process. There was a collegial tone to the consultations with full agreement achieved so that the boards could continue their work efficiently, effectively and with smaller numbers.

A November 26 article in the Montreal *Gazette* asked the following question: When governments are strapped for cash can they afford to support culture? I can assure this House that culture is one of our strongest allies in building a stronger and more unified nation.

As the red book states, culture is the very essence of national identity, the bedrock of national sovereignty and national pride. At a time when globalization and the information and communications revolutions are erasing national borders, Canada needs more than ever to commit itself to cultural development.

The government's intention has not been to weaken Canada's national cultural institutions but to streamline them and to make them more effective and efficient. I support the July initiative to eliminate and streamline agencies in an equitable fashion and support the continued development of culture in Canada.

• (1650)

The government's initiative to eliminate and streamline agencies underscores the reality that better more effective government does not necessarily mean more government, or that this concept is incompatible with the need to work with less. We can work with less without affecting quality. Canadians have proved that throughout our history.

Our intention is clear: to modernize the machinery of government. That means reducing the parts to streamline our activities where applicable and thereby optimize the success of board appointments. This provides some assurance to Canadians by placing the onus on governments to make good appointments, appointments that are necessary and that are made on the basis of competence.

As a result in the area of Canadian heritage I support such measures as reducing the size of the Canada Council, as well as the boards of the Canadian Broadcasting Corporation, the federal museums and the National Film Board to name a few. Together these reductions will account for 85 government in council positions and 10 ministerial appointments.

This process of streamlining will not adversely affect the development, support of, or dissemination of Canadian cultural expression. Culture is not simply an expression of the artistically inclined or spiritual abstract. Culture infuses every dimension of society. There is an inextricable connection between the cultural sector and its contribution to the economy.

I am among those who cannot imagine a society, a viable and vibrant society, without culture. Our challenge goes beyond that of mere economic stability. Our challenge is to protect the sector whose role and vocation is to give a sense of what it is to be Canadian, to be a witness to our collective consciousness. In fact, I am among those who believe that as a society it will be our culture that will affirm our position and strength in the community of nations in today's global village.

It is incumbent upon us therefore to go forward to maintain the gains that we have made as a nation. We must adapt to the new realities that confront and challenge us and move forward on a solid foundation of effective and responsive government.

This is our most profound challenge. I believe that our government is helping to position Canada and Canadians not just to meet that challenge but to surpass it.

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

Some hon. members: Question.

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

Mrs. Brown (Calgary Southeast): On a point of order, Mr. Speaker, am I not going to have an opportunity to speak this afternoon?

Mr. Boudria: Mr. Speaker, I think there is a member who is seeking unanimous consent to revert to the bill that has now just been called for the vote.

Perhaps the House would agree to suspend for two or three minutes while party members negotiate this issue. Perhaps we could come back at exactly 5 p.m. with a recommendation.

SUSPENSION OF SITTING

The Acting Speaker (Mr. Kilger): Order. I wonder if the House would be disposed to give unanimous consent? In all truthfulness, I will also take those few moments to consult with the table officers further.

Is there unanimous consent to suspend the sitting for four or five minutes?

Some hon. members: Agreed.

(The sitting of the House was suspended at 4.56 p.m.)

SITTING RESUMED

The House resumed at 5 p.m.

Mr. Boudria: Mr. Speaker, I think you will find unanimous consent that the House not see the question as having been put some moments ago and we simply resume the debate on the bill that was before the House until the question was put.

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, I do thank all of my colleagues in the House for their indulgence. I am embarrassed and will continue.

I rise today to speak to Bill C–65, an omnibus bill designed to streamline or eliminate a number of federal agencies. This bill legislatively dissolves seven agencies that have outlived their purposes and purports to restructure the boards of 15 other agencies or commissions.

As per its normal course of action, the party in power has done nothing more than mount a finely orchestrated public relations campaign. It is highly rhetorical, evidencing little substance.

This bill fails to take into account the dismal fiscal realities we live in. It fails to address the issue of accountability, making the activities of these boards and agencies open and accountable to the Canadian taxpayer. On this issue of our dismal fiscal reality we are now hearing what Canadians want and most certainly what they do not want.

People in this country are outraged that our government has been in an out of control spending mode for two decades. Our nation is like a Hollywood front, all glitter and glass purchased on borrowed money with nothing of substance holding it up.

It is a stunning picture of the reality of this House that Parliament has not directly acted to cut expenditures since the minority Parliament of 1972–74. Even in that situation where the government lacked a controlling majority, the House of Commons achieved only two small cuts amounting in total to $20,000.

To give a sense of proportion, since the current procedure for committee review of estimates was initiated in 1969, Parliament has authorized about $2 trillion worth of expenditures. This means Parliament has made cuts that represent only one–millionth of one per cent of total expenditures it had approved.

I oppose this bill, however I have to acknowledge the miserable attempt to legislatively eliminate seven already defunct federal organizations. I understand more agencies will be dissolved and I look forward to seeing those changes implemented.

What truly concerns me about this bill is the lack of commitment by the government to really effect change in those boards that remain functioning. Its downsizing efforts are encouraging, but I believe any comprehensive review of these boards must include a review of how appointments to those boards and agencies are made, and a complete review of their budgets and spending.

According to the government's own figures this bill will eliminate a mere 150 GIC appointments and save a paltry $1 million.

• (1705)

Surely this bill could have aspired to embrace more significant change. This whole exercise becomes a waste of time when other appointments are springing up as these are disappearing. A case in point is the new tourism commission with a new budget of $50 million and no agenda. It is brand new and has no agenda.

Rather than merely changing the title of chairman to chairperson of each board, I believe the minister for public service renewal should have included clauses in this bill to make these boards and agencies open, accountable and responsible.

Criteria should be developed and implemented to prevent the patronage process from taking over future GIC appointments. To demonstrate the changes necessary, let us briefly look at the current state of the councils and agencies affected by this bill.

The Canada Council had a $100 million dollar budget last year. Do we know if this money was well spent? Is the council being held accountable? We have no idea regarding the effec-

tiveness of the council. It was not part of the government's review, but it should have been.

It is even more interesting that the current chairman of the council appointed in May 1994 is Donna Scott, a former provincial Liberal candidate in Ontario. Is she the best candidate for the job? I do not know. We do not know.

As Susan Delacourt of the *Globe and Mail* recently discovered, it seems the Liberals have a two–tiered process for appointments. There is one for qualified candidates and one for faithful Liberals.

Patronage is not only limited to the Canada Council. Several other agencies in this bill have been affected. Let us look at the National Capital Commission.

The NCC's decisions are mired in secrecy and there seems to be universal demand that it be more open. Yet the current Minister of Canadian Heritage has no plans to enforce significant change at the NCC. He is reported to have said, and one wonders where his brain was when he said this: "On accountability for the NCC it is a bit more tricky because it is not an elected body". It is spending my tax dollars and those of the other members.

It should be noted that one of the NCC's members is Pierre Isabelle, the son of a former Liberal MP from Hull. The list continues. Andrew Ogarcenko, the director of the National Arts Centre is a well known Winnipeg Liberal supporter.

The Cultural Property Export Review Board appointed a new chairman in November 1994. Mr. Ian Christie Clark was the special adviser to a Liberal Secretary of State who founded the CPERB. He was also its founding chairperson in the late 1970s. He lost that position under the Tories, but like a proverbial yo–yo, Mr. Clark has returned to the post he created for himself.

The National Film Board is in dire need of change. Michael Spencer, a respected National Film Board executive from 1946 to 1967 and the founding boss of what is now Telefilm Canada has advocated chopping the NFB's annual $80 million budget in half. To date this government's response to the ongoing problem at the NFB has been to decrease the number of NFB board members by two. Those are earth shattering reforms indeed.

How can the government hope to effect real change in the public service without addressing these concerns? In this era of fiscal restraint, the Canadian taxpayer has to be assured the advisory boards and councils are being held accountable for the money they spend.

They need ironclad guarantees that these organizations will not be subject to patronage appointments but are staffed with the most qualified people available. Unfortunately, Bill C–65 does not provide the Canadian taxpayer with these guarantees.

• (1710)

Liberal loyalty in this country is rewarded with jobs, jobs, jobs, and all of them are patronage based appointments. Stay tuned, Canada, because even now the turnover in our legal community, which is another patronage based organization, is beginning to rattle through the provinces. Liberal linked lawyers and not Conservatives are now being chosen to act as agents for federal cases in provincial courts.

Legal agents, as I understand it, are the law firms that receive work, parcelled out by the government, and mostly handle drug prosecutions. In 1993–94 about 600 firms were legal agents and billed Ottawa for nearly $45 million. The system has been a traditional form of patronage.

Legal patronage has not been a flawless process for our Prime Minister's government. The Progressive Conservative appointees who have been tossed out are now suing prominent Liberals and making the issue public.

Some Liberals resent that party loyalists have not been appointed faster. That is scandalous.

Historically, new governments lost no time dropping hundreds of agents and replacing them with party loyalists. Our justice minister, to his credit, has tried to proceed more slowly. He wants to overhaul the system by replacing the number of agents and introducing guidelines. Wanting to is very different from acting, and we are waiting.

Some Liberals feel our justice minister made them lose face by failing to provide patronage plums fast enough to supporters. They believe competent candidates should not be discarded because they are Liberals. At the same time, talk of reform has set high expectations so replacing any Conservative lawyers would make the government look hypocritical.

This is the cynical and corrupt face of patronage, no matter where it exists at any level of government today. I hear hon. members of this House smacking one another on the side of the head because they have this patronage in the Liberal government. Then we have Mr. Parizeau's government involved and they smack them up a little. What we are looking at is a corrupt system and that has to change.

I ask you, Mr. Speaker, in my closing comments, where is the accountability to the Canadian people? Where is our responsibility as elected representatives to the Canadian people? Where is the consistency of members of Parliament so we truly represent one another and ensure that these councils, boards, agencies and commissions are truly open to the Canadian people?

So much for the Liberal red book promises of a fair system.

Hon. Roger Simmons (Burin—St. George's, Lib.): Mr. Speaker, I too want to make a few comments on this bill. I have spent some time in opposition myself, both here in this Chamber and in the Newfoundland House of Assembly, and I see that the members of the opposition have recognized this bill for what it is, in part, and that is an opportunity for the opposition to have some fun with a number of issues.

Mr. Cummins: It is serious business.

Mr. Simmons: I will talk about the serious business of this bill, but first, why should my hon. friend from Delta deny me some of the fun?

I notice my hon. friend from Cariboo—Chilcotin trotted out his tractor anecdote once again today. I missed part of it so I do not know what colour the tractor was today. Was it green or blue like the last time? I say to him that some time he should tell us about the cow that having given the full pail of milk, good wholesome milk, was manoeuvred into kicking over the pail. I am not suggesting of course that my friend from Cariboo—Chilcotin or his colleagues are a bunch of cows. They are not that at all. Some could accuse them of being the people trying to manoeuvre the productive cow into wasting something that has been produced.

• (1715)

I digress. I say to my friend from Lotbinière that I notice that patronage is getting a fairly full workout here this afternoon, and so it should. Patronage has always been with us and always will be, and so it should.

Mr. Speaker, I say through you to my friend from Calgary North, hear it in context. I said patronage has always been with us, always will be, and so it should. Before she gets too disbelieving I invite her to hear it in context. I was about to say that members of this Chamber practise patronage in your families on a regular basis, in your church and your community organizations. You regularly reach out to those people you know or can trust. That is not to imply that all the people you do not know you cannot trust. It is just that you do not know whether you can trust them because you have not yet met them.

What is so surprising if in that church group, community group, that municipal council or whatever the group may be, you reach out to somebody whose credentials you know, whose people skills you know when you want a job done. I repeat, that is not to suggest that all the people you do not know in this world are not to be trusted.

It is no accident that if a Liberal government is in power a number of the appointments will be people who are known Liberals. It would be no accident that if a Reform government were in power some of the appointments would be Reform appointments. The law of averages alone takes care of that. If we had to exclude all the people who either voted Liberal or were active in the Liberal cause over the years, we would virtually exclude the entire population of Canada.

Is anybody suggesting that the label itself ought to be a disincentive? There is more to it than that. Let me construct an example for members. If I am an employer and have an opening and there are two applicants for a particular position, both of whom have equal credentials, equal qualifications, equal experience and I know one and I do not know the other, I am going to hire the one I know. The principle stands that the devil you know is better than the devil you do not know, to put it in the vernacular. More generically, the person you know is better than the person you do not know. By definition if you do not know the second person there may be something about that second person, which despite the paper qualifications, despite the experience, has something less to commend him or her to the job. In its purest form that is patronage.

I believe what my friends are talking about is something different altogether. They may not have the courage to put the term on it. I think what they are talking about is corrupt patronage.

I return to my example. I the employer have two people in front of me applying for a position. The person I know does not know a row of beans about the job. The second person, whom I do not know, has good credentials, commends himself or herself to the job in every way, comes through well in the interview. Despite all that I hire the person I know. That is the beginning of corrupt patronage. That is the tail wagging the dog. That is the employer in the example using something other than his head. That example itself may not be corrupt but it is certainly stupid to rush out and hire the person because you know him rather than the person who can do the job. However, that is the beginning of corrupt patronage.

• (1720)

Governments over the years, Tory governments, have practised some corrupt patronage and Liberals have practised corrupt patronage but that does not make it right. I submit that we cannot go back and undo the elections of many years past with the people who sat in Liberal cabinets or Liberal governments or headed Liberal governments and Tory governments over the years. I mention those two parties because they are the only two strains we have had at the federal level. I could go to the provincial level and talk about governments of other stripes, including Social Credit and NDP. We all know the range of governments we have had in Canada heading provincial and federal administrations. There was the Union Nationale in the province of Quebec and other governments. We cannot go back and rerun those elections.

Therefore I submit that the only credentials we can examine now are the credentials of the present administration which is the administration which will be accountable in the next election. Before we are all tarred with the same brush, hear some of

the facts. Has this government appointed Liberals? Yes, it has and I can give this House a good list of them. Has it appointed people of other stripes? Yes, and I can give this House a good list of those as well. However, that ought not to be the governing criterion as to what the person's party label was.

I will return to my example again. If that minister is selecting a person for a board only on the basis of his label or on the basis of who he knows versus who he does not know rather than on the basis of the competence of that person to do that job, that is where it becomes corrupt patronage. I do not agree with that and I will give notice that when I see it and as I see it I will do my bit to blow the whistle.

However, do not ask me to subscribe to a dictum that says all persons of the same party label as the party in power are hereby disqualified for appointment however qualified. That makes no sense. Nobody in this House in their right mind would subscribe to that kind of dictum. It would be unfair. As much to the point it would be counterproductive because we would be robbing ourselves of the opportunity to appoint some competent people.

Let us look at something off the record. This is not particularly an attack on the Tories. There are no Tories left around here to attack. I want to draw a couple of recent example and it just so happens that the last government that was in power in this country federally was the Tory government. Let us have a look at comparable periods.

The big bad Liberals, I will pick two equivalent periods, from November 4, 1994 to February 3, 1995 in the one case and an earlier set of years in another case. In the first case, the present case, the big bad patronage infested Liberals over a 15–month period from November 4, 1993 until February 3, 1995 have made 700 appointments. The *Globe and Mail* with a research team looking into this for days and weeks, we saw the article last weekend, managed to identify that fewer than 80 of those appointed had Liberal connections. That is only 80 out of 700. I have to talk to the Prime Minister. That is discrimination. The balance ought to be a bit more than that.

• (1725)

I say to my friend from Delta when he was a card carrying Liberal he would not have stood for that kind of unfairness.

Let us look at the period November 4, 1991 until February 3, 1993. These are not conveniently chosen dates. They are the last dates I could choose within the mandate of the last government that would parallel the 15–month period we are talking about and that is why I chose that period. In that 15–month period the Conservatives made 1,819 appointments, about two and a half times as many as had been made in this period.

One of the realities of being in government is that there are agencies, there are boards that need to have personnel appointed to them. We cannot ignore that. This government under the minister responsible did undertake a review. As a result we have made a lot fewer appointments but some of them have to be made.

The very people who stand in this House and decry appointments have themselves been patronage appointments in past times. I will not follow in the footsteps of someone else who spoke earlier and name names. I do not believe that is fair in terms of making the case. It is half fair in the sense that the individuals whose names I have there are now members of this Chamber and would have an opportunity to respond. However, others were mentioned today who have never sat in this Chamber and more to the point do not sit here presently and have no recourse and cannot protect themselves.

I submit to my friends who were dragging out names today that we can make the point that somebody may be the grandson or the son or whatever relation. I did not have any say who my grandparents were. I did not have much say who my parents were. Should it disqualify me because my dad was a humble carpenter, because my mother came from a family of shipbuilders and worked as a domestic before her marriage? Does that disqualify me? Should I carry those labels and somebody should decide that I have to be pegged here because my mother was a domestic and my father was a carpenter? How far do we carry this thing in order to make some point about patronage?

I guess my last sermonette could have been entitled "people who live in glass houses shouldn't throw stones" because some of them sitting in this Chamber right now had patronage appointments from the former Tory administration.

There is one other issue that I would like to talk about. I am not referring to the gentlemen from Charlevoix, Anjou—Rivière–des–Prairies, Elk Island, Red Deer, Fraser Valley East, Calgary North, Port Moody—Coquitlam or Delta, nor to the members for St. Boniface, Parry Sound—Muskoka, Kitchener, London West and Oxford, not to mention the members for Niagara Falls and Stormont—Dundas. Are there other offers—or the member for Louis–Hébert. Just to pull together what I have said on that issue, if there is something wrong with the patronage system, it is the system that is wrong.

• (1730)

There is no need to make scapegoats of individuals to make one's point about what needs to be done with the system. That is the only point I am making. I give notice. I have in front of me the names of present members of this House but unless I eliminate everybody and by extrapolation name the person, I cannot go any further.

In fairness to the people who asked me the question, they did not need to ask the question. They would know full well if they had been appointed. If they had been appointed they would not be so loud in their protests that I inject a disclaimer on their behalf.

If the member for Delta did not exist, we would have to create him. He is such a delight. The members of the Reform Party might have some say in that matter. There is one other item that I want to go on to.

This bill is umbrella legislation. In many respects, it is what we used to call comma legislation. It is not of any particular consequence but it tidies up some things. It needs to be done. I am not dismissing its importance but it is probably not going to create a lot of jobs. Indeed it is cutting out quite a few, for example ACOA.

I see I have my two minute signal so I had better say this very quickly. I want to spend most of my time on ACOA, an instrument of regional development very dear to my heart because I have seen the good it has done in my own riding.

I can talk to members about an agriculture operation in Bay St. George where 35 or 40 people are full time employees thanks to some initiative from that agency. I can talk to members about the salmon operation in Bay d'Espoir which employs 80 people full time where we fly salmon on a daily basis to San Francisco and Toronto and so on. It is a good producing industry that has been going on now for 10 years.

I could talk to members about people who sit in Milltown, 35 of them, and do computer inputing for companies in Germany, England and Australia on contract as a result of a little SEED money they got five or six years ago from ACOA.

I see as I look around that the transition to the new economy, the high tech part of it but agriculture in our case in Newfoundland, the transition to a new set of endeavours in Newfoundland is fully aided by that kind of agency. I sought to speak in this debate particularly to give support to it. I would be glad to invite any member of the House to go with me to my riding so I could show members some of those success stories that are the result of ACOA money.

The member has had an invitation that he has not yet taken me up on. The invitation still stands. I see my time is up.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I have just one very quick comment. Perhaps the member for Burin—St. George's will respond to it. Of all the agencies mentioned in Bill C–65, almost all of them have a little clause that reads something like this.

It says that on the day when this bill is proclaimed all people who are on the commission prior to that will cease to be on the commission. That unfortunately raises the sinister question, why would we have to eliminate all present members of the present board? Is it because the present government wants to be able to appoint new people, displacing the patronage appointments of the past?

• (1735)

We will be watching all of those agencies very closely and noting the people who are dropped. We know they will all be dropped if this legislation is passed; we expect with a majority of Liberals it will be. Then we will be watching very carefully to see who is put back on to the boards even though it is in reduced numbers.

Mr. Simmons: Mr. Speaker, I say to my friend for Elk Island, he should be very watchful. That is what makes good government, when we have people in the opposition and in the government benches who monitor those situations.

To the first part of his question, although it is a question better answered by the minister responsible, I would fully assume that if one is going to alter the mandate of an organization, one might want to start afresh. People who were put there, given the former mandate, may or may not be qualified or as qualified to pursue the new mandate. That is just an answer off the top of my head.

It is not uncommon when winding up and redefining an organization to replenish its membership. The litmus test is the one he put his finger on. The litmus test is whether any hanky–panky—he did not say this, but I will say it for him—goes on. If there are 10 people on the board with four Liberals and six Tories or whatever, they will all be shoved aside. If when the board comes back the next day the four Liberals remain and the six Tories have all been replaced for no better reason than they had different labels when it comes to parties, then that is hanky–panky. I would be there with him when he raises the point.

Mr. John English (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, I would like to congratulate the hon. member on his excellent speech and his very shrewd and wise comments about patronage. I wonder whether he realizes that many of the positions we have abolished were vacant. The government had the opportunity to fill them but chose not to do so.

I wonder if the hon. member would care to comment on the contrast with patronage practices of the past. He has been a member for a considerable period of time. Could he make a comment on that fact?

Mr. Simmons: Mr. Speaker, to my friend from Kitchener on his first point, I tried to get the figure, but I did not get it in time. There are many hundreds of vacancies on government boards now because we wanted to do the review before we began appointing people to agencies that we either no longer need in

terms of the government's policy thrust, or did not need in such numbers.

For example, the ACOA board is going to be reduced from 18 members to 7. There were vacancies on that board, but it would have been foolhardy for the minister responsible, my friend from Cape Breton—East Richmond, to rush in and appoint those people, knowing full well it was the government's intention to reduce the size of the board.

As far as the second part of his question is concerned I say to my friend from Kitchener that I think I alluded to that in my speech when I said that both Liberal and Conservative governments over the past have been guilty of what I described—what I defined first but then described in the context—as corrupt patronage, where you appoint people of a particular party label for that reason alone, not because of their competence to do the job.

A party label ought not to be the reason for the appointment, but it should not exclude one from receiving such an appointment. That was my point. A fair amount of it has gone on in the past. What is more to the point is that since the government took office I believe it has been fairly diligent. It has had 150 backbenchers keeping an eye on it, as well as the opposition. It has been fairly diligent on this matter. I do not honestly believe that one can make much of a case that there has been an orgy of patronage under this administration.

Mr. Pat O'Brien (London—Middlesex, Lib.): Mr. Speaker, I too would like to congratulate my colleague for his very interesting remarks and ask him to share his experience with us on this point.

All too often in my view we have heard—as he said in his remarks—names put forward that because there is some sort of party connection, that person should somehow be disqualified. Does the member in his experience feel that when a person levels that sort of a charge, there should be an onus on that person to show the individual appointed is in fact unqualified for the position? To do otherwise is just to smear people who may have this or that political affiliation, if that is the sole reason. It is my view that the onus should be on the accuser to put the case when they make the accusation.

• (1740)

I wonder if the member would share his experience and his point of view on that idea.

Mr. Simmons: Mr. Speaker, I do not get my jollies by smearing people and I do not think that sets me above anybody in the Chamber. I do not think anybody in the Chamber really gets their jollies out of it. Sometimes we fall into the trap of doing it. I have fallen into that trap over the years myself, but that does not make it right.

Just now when I singled out an example of an earlier speaker in this debate—not only one speaker, two or three speakers—I did not name names. That would have defeated the point I was making that one smear does not justify a second smear because the thing just grows.

It seems to me, and I think I said it in my speech, that if people have concerns about the system and document those concerns—I recognize that some arithmetic has to be done—then those people have this label or those people do not have those qualifications. I submit that can be done without naming names and make the same point.

I would submit that the law of averages says that of all the people appointed, I dare say some of the 700 I mentioned just now cannot do their jobs. Of the 295 members of Parliament, probably some of them cannot do their job either. The law of averages takes care of those. Nobody is going to suggest that every one of the 700 appointments is absolutely brilliant. Some of them were, I would guess, clumsy, stunned appointments.

But that is different than saying that somebody is sitting here full time asking: "How can we warp the system so that only incompetent Liberals get all the jobs and nobody else will get any"? Well, if that is the thesis, prove it but do not smear people along the way.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, I appreciate the opportunity to enter into this debate. I have just a couple of comments on the previous speaker's comments on patronage.

First I refer to the picture he has of the cow. I remember from history class another famous cartoon of a cow. Perhaps some other time he would like to comment on it. It is a picture of a cow kind of straddling the Canadian map. It is foraging on the east coast, being milked dry in Ottawa and its rear end is pointed toward the west. That is a famous cartoon. It is kind of humorous but sometimes I think there is an element of truth in it too.

On the definition of patronage, what causes concern for many of us on this side of the House is that the Liberals campaigned so hard against it. The red book comments on patronage. The definition of a patron includes someone who is a former owner of a slave. I guess depending on how you think their commitment is to the party that appointed them, a patronage appointment has a negative side to it.

I rise today to speak to this latest legislative initiative of the government, Bill C–65, which gives legal force to an announcement made by the the Minister of Public Service Renewal on the day that he announced the downsizing of a number of federal government boards eliminating 150 patronage positions. I assume he thinks that is a good thing. I certainly do. He even announced the abolition of seven councils and advisory boards.

Like so many other Liberal initiatives this legislation is a half–hearted attempt to placate voters rather than a fundamental change in the way government works. There is much talk about what is wrong with the system and the systemic change that is required. He is very accurate. I do not see that this legislation changes any system at all.

The Liberal government does not move quickly and decisively to resolve the problems that the electorate is angry about. It moves cautiously and slowly, inching far behind the will of the people.

• (1745)

On this side of the House we often wonder why. Why does the government drag its feet? It drags its feet because the government is elected, operated and sustained by a coterie of political friends. The way Liberal politics has always operated in this country is to weld together an extraordinary network of friends, often through the dispensation of favours.

The cabinet puts hundreds of old Liberals horses out to pasture. Three hundred and fifty government boards, councils and commissions liberally water these Liberal pack ponies until the next election comes along. Every four years a very long list of names builds up, very personal and private promises are made and if the government delivers it can be assured of continued support.

I want the House to know that the people who support the Reform Party now and in the future do so because they want good government, not because they have any chance of political patronage plums.

Even during the last election when Reform had relatively little chance of actually forming a government, they worked their hearts out. That is because Reformers believe that there is a different way to govern in Canada, that there is something called merit that overrides patronage concerns, that there is such a thing as pure political motivation where people get together and become politically motivated because they love their country rather than their salaries.

I am not saying that Liberals or even Liberal appointees do not love the country. I am saying that their love for Canada and their love of service to its people are sullied, are mixed, are mingled with the motivation of private gain in the minds of some Liberal appointees. When the collective will of the government, operated by thousands of Liberal friends in key posts, is expressed we are not surprised to find that any change from the status quo is slow and tortuous.

Over a period of many years, even in a time of financial crisis such as we are experiencing today, real change is agonisingly slow, even when the public demands it. The movement of the government is hindered by the collective will of people who are gaining handsomely from the old way of doing politics.

The old ways are passing. We are entering a new political time in Canada. Reformers foresee a government that is elected through the public demonstration of its value, its ability to act and react with speed and firmness to meet the real needs of the country, not the perceived needs of friends, of special interest groups, elite politicians and a few radical intellectuals.

The Reform Party of Canada was elected. It has support across the country because Canadians are sick of the old ways governments operate. In the last few weeks I have attended meeting after meeting in my constituency. I have talked with hundreds of constituents and they are very angry in my riding. They are fed up. They are sick to death of the old ways and the old spending, the old taxation and the old ways in which their will is reinterpreted by the government.

The Liberal government seems to have some kind of a hearing problem. When the people say no tax increases, the government hears them say readjust the tax system. That is just another way of saying there will be tax increases. When the people shout at the government that they are sick of patronage, the government hears them whisper they want to reduce patronage a little.

The government is hard of hearing. It does not understand what the people want. Canadians want a different way, a systemic change if you will, of appointing people to our boards, our commissions and our advisory bodies. The people do not want a little less of the same old thing, they want real change.

The Liberals cannot seem to hear what the people are actually saying. When the people say that they want a smaller, less intrusive government, the government repeats it in a different way. The government says "We understand. You want us to eliminate a few advisory boards that did very little in the first place. You want us to get rid of a few commissions that do not sit anyway". No, that is not what the people are saying.

The people are saying loud and clear—I hear it every day in my office—that they want to get rid of government agencies that look busy, agencies that are doing too many things right now. They want to get government out of their lives. They want to reduce the number of things that government does.

That is the difference between the Reform agenda and the Liberal agenda. In every way the Liberal government attempts to preserve the aging status quo.

• (1750)

The Liberals want window dressing. Reformers are window cleaners. The Liberals want theatre. The Reform Party of Canada wants real life. The Liberals want to throw today's hot potatoes into the laps of the next generation and let it pay for it. Reformers want to solve the difficult problems created by this generation in this generation.

That is why I oppose this legislation. Although it eliminates a few useless boards and commissions, it does not bite into the functions of government or into the systemic change that the hon. member across the way was mentioning earlier. Although it downsizes a few boards and eliminates a little patronage, it leaves the patronage system entirely intact. If it is left intact it must roll again.

Even this morning when I sat on the Standing Committee on Human Rights and the Status of Disabled Persons the last item on the agenda was order in council appointments. There were not many of them, just four, but nobody knows who these people are. There is no way one can stop these appointments. Even the other Liberal members on the committee did not know what it was about. They asked if this was a rubber stamp and the word came back from the clerk that yes, it was a rubber stamp. That is why, as I mentioned earlier, if there is no systemic change I will oppose this legislation.

Allow me to read the following. Some of it has been read before but I think it should be read into the record again. It is a list of patronage appointments being carried by the *Globe and Mail*. It is ironic that the list was compiled by a senator who used to work in Prime Minister Mulroney's office and today enjoys the rich patronage fruits of the old Conservative regime.

If the listener can get over the nauseating hypocrisy of this particular pot calling the kettle black, I will get on with the business of reading a short part of this list. Just to get your blood boiling listen to a few appointments that the Liberals have made. Don Johnston, former Liberal Party president to the OECD. It cost $100,000 just to win enough favour to get him. Richard Kroft, director of the CNR. Jack Wiebe, the Lieutenant–Governor of Saskatchewan. Nova Scotia Liberal fundraiser Robert Pace has somehow become a director of Canadian National and his partner in Nova Scotia, Mervyn Russell, is now chair of Halifax Port Corporation.

Robert Wright, a negotiator for the Pearson Development Consortium, did a really good job. I think he pretty nearly has the government into court now for a few hundred million dollars. Anyway, he was the Prime Minister's chief fundraiser for his leadership campaign and his services now cost us $1,000 per day. The whole Pearson deal was a Tory patronage boondoggle in the first place and the Liberals won the election partly by denouncing Tory patronage. I guess it is only fitting that one be appointed to investigate it.

I am sure all Canadians are happy that the Prime Minister's friend is benefiting from the old Tory patronage scheme in the same sort of a Liberal way I guess.

I will resume my list. Jean Cordeau, chief aboriginal organizer for the Prime Minister, is now director of Petro–Canada. That obviously tied together. David Maclean, a fundraiser for the Prime Minister's leadership campaign, is now chairman of CN Rail. Gary McCauley, a former Liberal MP, is now on the Immigration and Refugee Board, one of my favourites. He makes about $85,000 a year. Congratulations, Gary. Former Liberal candidate Bill Code somehow found his way to the NAFTA disputes panel. Yves Caron, a former Liberal MP, is now commissioner of the Canadian pension commission.

Michael McDonald, the financial agent for the minister of public works, is now a director at Enterprise Cape Breton. The minister of goodies is still at it. Andrew Ogarcenko, a well known Liberal from Winnipeg—not to me—is now the director of the National Arts Centre. He is the director of the National Arts Centre which is a great job. Perhaps that is why in Question Period today the Minister of Canadian Heritage mentioned that the Liberal Party is doing an excellent job of promoting culture in Canada. Of course a Liberal would be able to do that at the arts centre.

The Parliamentary Secretary to the Minister of Health had a very good campaign manager in the last election and he has received his award. Ron Longstaffe is now chair of the Vancouver Port Corporation.

Inderjit Bal was a member of the Immigration and Refugee Board for a while. He received his reward after organizing delegates for the Prime Minister and, who else, the Minister for Citizenship and Immigration. Unfortunately, Mr. Bal had to resign after it was found that he had entered Canada illegally himself. Otherwise, he was very well qualified in all Liberal aspects.

• (1755)

Richard Campbell is another campaign manager, this one for the Secretary of State for Veterans. He is now director of Marine Atlantic. We also have a judge or two. Judge Thomas Lofchik was with the Ontario Court of Appeal, a prominent Liberal organizer in Hamilton. I am sure that his appointment and his political involvements are just a coincidence. We have another judge, Federal Court Trial Judge Jean Richard. What was his connection? He was a partner of the Prime Minister in his old law firm. How about James Langston, former Liberal fund raiser and organizer, now on the Alberta Court of Queen's Bench.

The taxpayers will be happy to see that the totally pure system of justice is being used in this way. I could go on and on and on.

We have directors at the Bank of Canada, a host of appointees to powerful quasi–judicial panels and boards of large corporations. Patronage, I am sad to say, has even reached as high as the highest appointment in the land, that of the Governor General of Canada. He will be installed tomorrow, God bless him. On this side of the House we wish him well.

All of this is to say that we need a different, more objective way of doing appointments. We need to find a way to select the best, the brightest, the people who will help Canada to get ahead in the world. To cut out the motivation of money would do a lot of good for public bodies in this country or for political favours cut out that motivation as well. We might have fewer people helping out in political campaigns but the ones who do so might be motivated with a higher and more noble purpose, the ambition of the public interest unsullied by the hope of personal gain.

Big government is also a problem. For instance, we should not be reducing the board of the Atlantic Canada Opportunities Agency. The board should disappear altogether along with the political machine that funds it.

The board of the Canada Council should not be made smaller. It should be wiped off the face of the earth, along with its funding of radical and violent groups like Buddies in Bad Times Theatre in Toronto, an organization which wrote a play suggesting that an editorialist who penned an negative column about its pseudo–masochistic seminars should be raped. That is good stuff. We have to keep it around. The Canada Council funds this group to the tune of $60,000 a year. I believe that any council with that kind of discretion is a danger to the public interest.

There are other boards, institutions and activities which government should no longer be involved in. This noble bill even goes so far as to create a new board called the Canadian cultural properties export review board with up 12 new members on it, 4 of whom have to have been art collectors or antique dealers. I can hardly believe it. Even when the government is downsizing, it is upsizing.

Patronage and big government are problems, big problems, and these are just two of the reasons why I cannot support this bill.

There are one or two things that it does eliminate which I wish the government would have left in. For example, there is now no minister required to table an annual report on emergency preparedness. I guess Canada will never have an emergency. Again, it is a small thing but why eliminate that board and keep these other ones in place?

Another one that comes to mind, again an accountability thing, a small thing, is the National Library of Canada, an important federal institution. The archivist now is allowed to destroy material without checking with anyone whether the material should or should not be saved. I would suggest in this day and age of political revisionists I seem to run into from time to time that there should be a check and balance on the powers of the national archivist. It is a small thing, an accountability thing, but I think that accountability should have been left in place.

Finally, I believe sunset clauses should be included on each of the boards so that legislation would not be required every time we wish to wind down the operation of a government body. On the less important agencies we could include a clause that would require the minister to close the operations of the board at a certain definable point. Perhaps a timeframe would be suitable of five years for most boards. After five years the board would automatically dissolve unless the government renewed it through legislation.

Requiring legislation to renew mandates would make it harder for these boards to be perpetuated long after their useful life is gone. It would require the government to justify their continued existence in the House of Commons and in the public. Of course it would reduce the Liberal pastureland, so to speak. It could do the taxpayer good and would make the government generally more efficient.

We cannot support this legislation. This legislation is not worthy of support. Let us see some changes in the process, some real changes in the way we do government. As soon as the government quits it showpiece legislation and comes up with something concrete I will be applauding it, not from the front row but from the fourth row. The Reform Party of Canada will indeed support concrete solid measures.

* * *

IMMIGRATION ACT

The House resumed consideration of the motion that Bill C–44, an act to amend the Immigration Act and the Citizenship Act, and to make a consequential amendment to the Customs Act, be read the third time and passed.

The Acting Speaker (Mr. Kilger): It being 6 p.m., pursuant to Standing Order 45, the House will now proceed to the taking of the deferred division on the motion at third reading stage on Bill C–44, an act to amend the Immigration Act and the Citizenship Act, and to make a consequential amendment to the Customs Act.

Call in the members.

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

(*Division No. 157*)

YEAS

Members

Adams	Alcock
Allmand	Anderson
Arseneault	Assad
Assadourian	Augustine
Axworthy (Winnipeg South Centre)	Baker
Barnes	Beaumier
Bellemare	Bertrand
Bevilacqua	Bhaduria
Blondin–Andrew	Bodnar
Bonin	Boudria
Brown (Oakville—Milton)	Brushett
Bryden	Bélair
Caccia	Calder
Campbell	Catterall
Chamberlain	Chan
Clancy	Cohen

Collenette
Comuzzi
Crawford
DeVillers
Discepola
Duhamel
Easter
English
Finestone
Flis
Gagliano
Gallaway
Godfrey
Graham
Grose
Harb
Hickey
Hubbard
Iftody
Jackson
Keyes
Knutson
Lastewka
LeBlanc (Cape/Cap–Breton Highlands—Canso)
Lincoln
MacAulay
MacLaren
Malhi
Manley
Marleau
McCormick
McLellan (Edmonton Northwest)
Mifflin
Mills (Broadview—Greenwood)
Mitchell
Murray
Nunziata
O'Reilly
Parrish
Payne
Peters
Phinney
Pillitteri
Reed
Richardson
Ringuette–Maltais
Rock
Serré
Simmons
Speller
Steckle
Stewart (Northumberland)
Telegdi
Thalheimer
Ur
Vanclief
Volpe
Wappel
Whelan
Young
Collins
Cowling
Culbert
Dhaliwal
Dromisky
Dupuy
Eggleton
Fewchuk
Finlay
Fontana
Gagnon (Bonaventure—Îles–de–la–Madeleine)
Gerrard
Goodale
Gray (Windsor West)
Guarnieri
Harvard
Hopkins
Ianno
Irwin
Jordan
Kirkby
Kraft Sloan
Lavigne (Verdun—Saint–Paul)
Lee
Loney
MacDonald
MacLellan (Cape/Cap–Breton—The Sydneys)
Maloney
Marchi
Massé
McGuire
McWhinney
Milliken
Minna
Murphy
Nault
O'Brien
Pagtakhan
Patry
Peric
Peterson
Pickard (Essex—Kent)
Proud
Regan
Rideout
Robichaud
Scott (Fredericton—York—Sunbury)
Shepherd
Skoke
St. Denis
Stewart (Brant)
Szabo
Terrana
Torsney
Valeri
Verran
Walker
Wells
Wood
Zed—152

NAYS

Members

Abbott
Althouse
Axworthy (Saskatoon—Clark's Crossing)
Benoit
Blaikie
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast)
Chatters
Cummins
de Jong
Deshaies
Ablonczy
Asselin
Bellehumeur
Bergeron
Breitkreuz (Yellowhead)
Brien
Bélisle
Crête
Daviault
de Savoye
Duceppe
Dumas
Epp
Frazer
Gilmour
Grey (Beaver River)
Hanger
Harper (Calgary West)
Hart
Hermanson
Hill (Prince George—Peace River)
Jacob
Johnston
Lalonde
Langlois
Lebel
Leroux (Richmond—Wolfe)
Marchand
Mayfield
McLaughlin
Mills (Red Deer)
Ménard
Paré
Picard (Drummond)
Ramsay
Ringma
Schmidt
Silye
Solomon
Stinson
Taylor
White (Fraser Valley West)
Duncan
Forseth
Gagnon (Québec)
Gouk
Guimond
Hanrahan
Harris
Hayes
Hill (Macleod)
Hoeppner
Jennings
Kerpan
Landry
Lavigne (Beauharnois—Salaberry)
Lefebvre
Manning
Martin (Esquimalt—Juan de Fuca)
McClelland (Edmonton Southwest)
Meredith
Morrison
Nunez
Penson
Pomerleau
Riis
Robinson
Scott (Skeena)
Solberg
Speaker
Strahl
Tremblay (Rosemont)
Williams—84

PAIRED MEMBERS

Members

Bernier (Gaspé)
Canuel
Dingwall
Bouchard
Chrétien (Saint–Maurice)
McTeague

● (1830)

The Acting Speaker (Mr. Kilger): I declare the motion carried.

(Bill read the third time and passed.)

The Acting Speaker (Mr. Kilger): Order. We have approximately 20 minutes left on Government Orders, so we will continue with the debate on Bill C–65.

Those of you who have other commitments will please leave the Chamber so we may continue with the business of Bill C–65.

* * *

GOVERNMENT ORGANIZATION ACT (FEDERAL AGENCIES)

The House resumed consideration of the motion that Bill C–65, an act to reorganize and dissolve certain federal agencies, be read the second time and referred to a committee.

Mr. Ronald J. Duhamel (Parliamentary Secretary to President of the Treasury Board, Lib.): Mr. Speaker, I am delighted to stand in the House today to address this particular bill. Before I begin I need to make a few comments with respect to the previous speaker, a colleague from the Reform Party who did

not stay around to handle questions. He was probably frightened to do so.

The Acting Speaker (Mr. Kilger): Order. I know sometimes it is difficult when a debate is split, in this case by a vote. I think we all realize the commitments each and every one of us has to fulfil at times.

We should not reflect on the absence of any member from the Chamber at any time. I think it is a good practice and one we should maintain.

Mr. Duhamel: Mr. Speaker, I do want to add something else that has nothing to do with presence or absence. Mr. Speaker, have you ever envisioned that when Reformers speak a halo suddenly starts to appear around their heads? They come across as pure, white fallen snow. It is quite incredible. I am delighted to be a Liberal, because I am an ordinary human being who has strengths and weaknesses, unlike them.

Today gross exaggerations that I want to address were made by a member of the Reform Party, but they have not fooled anyone, and certainly not Canadians. Reform Party polls in the whole of Canada are lower than the Bloc's in the whole of Canada, and it is trying to tear the country apart.

Stay tuned. One of these days one of those Reformers will trip and the halo will fall down and crack. We will find out that the freshly fallen white snow is rather darkened and blemished. We will shortly see whether or not Reformers sin.

I want to get to this important piece of legislation.

[*Translation*]

It deals with the reorganization and dissolution of certain federal agencies.

What we are talking about today is a bill aimed at renewing government and restoring confidence in it. That is what this bill is about. It is a new type of government. A less cumbersome one. A government aimed at increased efficiency. A government that is responsive to the needs of Canadians throughout the country.

• (1835)

A government concerned with increasing government efficiency.

[*English*]

I want to quote this because it appears to be the only safe way to not be misquoted by certain members of this House. The red book says, "The most important asset of government is the confidence it enjoys of the citizens to whom it is accountable". That has been extremely important to this government.

We know that Canadians are tired of large government. They have entrusted this particular party with the task of ensuring the careful management of public funds. They want honesty and integrity restored to their federal institutions. That is exactly what is happening in spite of the Reform rhetoric.

Some of my colleagues on the other side have a lot of difficulty listening to the truth. They jump and fidget and writhe whenever the truth is spoken.

Mr. Abbott: I will let you know if we hear some.

Mr. Duhamel: In fact some of them have to rise from their seats because they cannot stand the heat. They are probably hungry too.

Mr. Speaker, you may recall that during the last budget the Minister of Finance announced that we would have a full–scale review to examine the size and relevance of existing agencies, boards, commissions and advisory bodies in order to achieve cost savings and ensure that if they were no longer needed or no longer played a useful role they would be taken out. That is what this bill is all about as well. The government has moved simultaneously on three fronts, which will lead to a leaner, more cost effective and efficient government.

Bill C–65 will bring into force decisions taken last July to reduce the numbers, and streamline or reduce the size of operations of certain agencies, boards and commissions where there is an interest to do so, when they are no longer as relevant or as important to Canadians, and where we can perhaps do without them.

You may recall, Mr. Speaker, that on July 8, 1994 the minister responsible for this particular initiative issued an interim report on the progress to date with the co–operation of his cabinet colleagues. He was able to report that decisions had been taken affecting 41 agencies and 9 different portfolios. Some people will scoff at that, but I assure you it is a major initiative and has been a successful one.

The legislation before the House today will place into law those decisions requiring legislative action, as necessary.

[*Translation*]

What I wanted to stress more is that we are abolishing and streamlining 22 government agencies. We are eliminating 150 positions filled by governor in council appointments. This is a lot; it is concrete, a success for this government. In concrete terms it means an annual saving of $1.5 million for taxpayers. This is only the first round of measures.

I am going to give you a few examples of how thorough planning pays big dividends. This is planning that the minister initiated with his colleagues. He then began a long process of consultation which ended in success, as in the case of Petro–Canada with a reduction of its board of directors from the current 15 to three. This is a major reduction.

I will give a few other examples quickly: the Canadian Saltfish Corporation, created 25 years ago, will lose 24 posi-

tions; the Atlantic Canada Opportunities Agency will now have seven board members instead of 18. Another major reduction. Seven positions will disappear with the abolition of the board of trustees of the Queen Elizabeth II Canadian research fund, which manages funds intended for research on children's diseases.

• (1840)

But the interesting point is that this agency will no longer exist to manage the funds, yet research will be carried on and will from now on be performed by the Canadian Medical Research Council. That is good planning.

I can give the House another example of amalgamation of this type, namely the elimination of Emergency Preparedness Canada as a separate body. The protection it provided will not disappear, will always be necessary and Canada will continue to be well served in this regard, but this role will be taken on by National Defence and that makes sense. There is another example.

We tried to establish whether certain roles were still relevant, still served their purpose or had become superfluous. If they were found no longer to be relevant, had become superfluous, we eliminated them.

In cases in which it proved necessary to retain an agency, we attempted to determine whether its role could be carried out with fewer people, at a lower cost and perhaps more effectively.

[*English*]

Over a dozen organizations will have the number of their board members reduced resulting in significant savings. A few of those included in this group are, for example, the Canada Council, the Canadian Broadcasting Corporation, the National Arts Centre and the boards of four of Canada's national museums.

Bill C–65 will give effect to the government's objective of identifying sensible and practical actions to eliminate overlap and duplication, and simplify government wherever possible.

As I have already mentioned, the review of agencies, boards and commissions is but one aspect of our government's overall approach to streamlining, restructuring and reorganizing government. The program review and the work in improving the efficiency of the federation are two additional initiatives which attempt to reach similar objectives.

For example, the government has signed action plans that deal with specific sectoral issues where overlap and duplication can be reduced or eliminated within specific timeframes. That has been done, if my memory serves me correctly, with nine provincial governments and two of the territories. That is important progress.

The program review is the other very significant initiative that will give the government a new look. It will result in a substantially different government, which focuses on core roles and responsibilities. It is very important to focus on what can be done and what we can afford to do.

There will be more announcements made with respect to those initiatives very shortly.

[*Translation*]

I would also like to mention, and I believe this is a point we should emphasize, the status quo does not exist, federalism is evolving. It is a system, not because of its ability to evolve but rather because of its ability to change and respond to changing needs and always be aware of the needs of its population.

Our ability to embark upon the measures which I have just mentioned is a function of a body, a system which is flexible, adaptable and able to respond to the needs of our society and our country.

By the same token, federalism is a form of government characterized by its adaptability. Our entire history illustrates the extreme flexibility of our system of government.

[*English*]

This point needs to be accentuated time and time again. Some people like to pretend government and its institutions have not changed, but this is blatantly false. Government continues to change. Those who will not admit it have not taken the time to look at it, study it, and really get into government to understand the profound changes that are occurring.

Perhaps more than anything else, Canadians want their government to be more responsive. They want governments to listen to the people.

• (1845)

I understand that all MPs want to suggest they hold the truth, that they listen to their constituents and that they should be listened to. I believe that collectively somewhere lies the truth. I have never believed that there is necessarily one answer to one problem, particularly in today's society. I have never believed that one member or one party holds all of the truths. I wish all of us could think about that.

[*Translation*]

By the end of this program review, we will, as government, have dissolved many other agencies, boards and commissions; eliminated more than 600 positions and effected savings of over $6 million a year for the taxpayers. In my book, this is an enormous success.

To sum up, there are three points I would like to stress. First, we have just reduced duplication and overlap in government. Positive progress has been reported but, more importantly, work will continue in that area.

In addition, agreements were signed with the provinces and territories to ensure that every level of government can deliver the services it is responsible for. What we want to do, above all, it to ensure the efficiency of government operations, so that

goods and services are delivered as efficiently and economically as possible.

This work must and will continue because it is through such initiatives, bringing about improvements on a daily basis, that we will eventually have a better government in Canada. We already have a very efficient government, but there is still room for improvement. No organization can claim that it could not be better.

I can see one of my colleagues from the Reform Party smiling. I think that, in all honesty, he should answer the following question. When I mentioned that the government we have is already a good one, but that it is trying to be better, it made him laugh. I have challenge for this person, a person who I am unfortunately not at liberty of naming, although I would love to and am tempted to do so, but I will not. He belongs to a political party. Does he think that everything is perfect with his party? Does he think that it cannot be improved in any way? Does he think that his political party has all the answers?

I would like to hear what he may have to respond honestly to these questions I have just put to him.

These are my comments for the moment.

[*English*]

As I have indicated, the government should be lauded for these initiatives. They will bring about a more effective, leaner government but not a meaner one. It is one that will attempt to respond to Canadians' needs, in fact one that will continue to respond to Canadians' needs and one that recognizes that we need to continue to improve in order to get even better than we are.

The Acting Speaker (Mr. Kilger): Before recognizing the member for Fraser Valley West, I just want to make the House aware that at 6.50 p.m. we will move to Private Members' Business. With the two minutes remaining I will split the time evenly between the question and the answer. The hon. member for Fraser Valley West.

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, I guess that means I cannot speak to this today. That is too bad.

I have a question for the hon. member who just spoke. First of all the assumption that this Liberal government already is an efficient government is not only suspect, it is a ridiculous comment. I do not think many Canadians would agree with that. If it is so efficient I would like the member to tell us why all of these charades are going across the country trying to get input into major changes. We just saw the human resources failure to prove that.

Since the member has said there has been good planning here and the government has cut the number of board members, I would like him to tell us how many boards are actually going to be reduced. Never mind the board members, there are only a few. Tell us how many boards are going to be reduced.

• (1850)

Mr. Duhamel: Mr. Speaker, the gentleman says there is an assumption that we are a good government. What I said was that we were doing a reasonable job, in fact a very good job in certain sectors and we are going to get better. The polls would confirm that. Check our polls against Reform's which are lower than those of the Bloc Quebecois and it is trying to tear this country apart.

With respect to travelling around the country and calling it a charade, let the record show that the Reform Party said consultation was a charade. What a shocking statement.

The Acting Speaker (Mr. Kilger): It being 6.50 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*]

INCOME TAX ACT

Hon. Roger Simmons (Burin—St. George's, Lib.) moved that Bill C–282, an act to amend the Income Tax Act (medical expenses—disabled senior citizens) be read the second time and referred to a committee.

He said: Mr. Speaker, this is an issue that is very dear to my heart. I know so many disabled seniors who are in a terrible financial bind because of the cost of dealing with their disability, the medication, the equipment and so on.

At the same time, I cannot claim to be the first person to raise this issue in the House. Indeed a committee of the House, the Standing Committee on Human Rights and the Status of Disabled Persons made recommendations to the House in March 1993. One of the recommendations was the very one that is in effect embodied in this bill, that the taxes that people with disabilities pay should be reduced by measures that offset their disability related costs. That is the spirit of this bill as members will see as I proceed.

The proposed amendment to the Income Tax Act is designed to give tax assistance to disabled seniors with out of pocket medical expenses.

The medical expenses tax is a non–refundable tax credit as members know, meaning that eligible medical expenses are added to other personal amounts. They are multiplied by 17 per cent, the result being deducted from federal income tax otherwise payable.

In less jargon let me put it this way. At present, expenditures on eligible goods and services required for medical reasons in excess of the lesser of 3 per cent of net income or $1,614 may be used in calculating the medical expenses tax credit. To say it yet

differently, you have to have $1,614 of medical expenses before you can have a tax benefit.

That is not particularly a problem if you are hale and hearty and earn $50,000 or $100,000 a year. However if for example you are a disabled woman of 70 years of age living alone on an income of $12,000 then $1,614 represents essentially one–eighth of your income. Fully 12 or 13 per cent of that woman's income is being spent to buy her required medications. This bill is intended to address that issue.

The amendment I am proposing here would remove the minimum threshold for tax filers age 65 and over and eligible to claim the disability credit. They would be able to claim all medical expenses from the first dollar, provided of course they are in the category of being disabled and senior.

I submit that the proposal is very justified by the disproportionate burden borne by disabled seniors with respect to medical expenses. For example in 1991 the average deductible medical expense for all taxpayers was $1,580. For disabled seniors it was $2,716.

Disabled seniors thus pay considerably more in medical expenses than the average person, while enjoying an income markedly lower than average. They are therefore prime candidates for tax relief with respect to medical expenses.

• (1855)

This is a time of cost consciousness and of deficit reduction. One question we should put on the table quickly is, how much would this proposal cost? The answer applied in 1991 terms is that across the country it would cost $2.7 million to implement this provision in the bill. Let us say in round figures, in today's terms, $3 million.

Who would it benefit? At the moment about 170,000 seniors who are disabled and poor. The statistics on disabled seniors are mind boggling. They are absolutely horrendous and they cry out for a bit of justice here. Let me show you what I mean.

Of people in this country aged 65 years and over, 46 per cent or 1,222,000 have some form of disability. Over 81 per cent of disabled seniors have a mobility or agility disability. Approximately 20,540 individuals or 8 per cent of the disabled seniors in households who require mobility aids do not have them. There are approximately 82,000 who require hearing devices and another 23,000 who require visual aids who do not have them.

Another statistic: Women with disabilities are four times more likely to be widowed than men. It is 56 per cent compared to 13 per cent. Another thing: Approximately 45 per cent of disabled males compared with approximately 72 per cent of disabled females report incomes under $10,000 a year. Nearly half the disabled senior males and three–quarters of the females had incomes under $10,000. That is the target group we would seek to help here.

Unfortunately this is not a votable item but that is the luck of the draw. I do not quibble with that. It is part of our procedure, but I do wish it had been votable. I know that all members of this Chamber would dearly love to have the opportunity to be identified with this particular measure. There is however another way. The government could introduce the measure as government policy.

I can tell the House that I spoke several weeks ago with the Minister of Finance on this issue. At that time he was quite favourably disposed to the suggestion which we discussed in some detail. I intend to pursue it with him and I invite other members of the House to do so as well.

Mr. Speaker, as I indicated to you privately earlier, while I am entitled to 20 minutes as the lead speaker in this debate, I prefer to split my time with my colleague for Bonavista—Trinity—Conception. That will enable more members to speak to this particular issue during the hour we have assigned for this debate.

In conclusion, I say to all members that this issue of allowing disabled senior citizens to claim the first dollar of expenditure for tax credit purposes is an issue of compassion. It certainly is that, an issue of compassion. I do not think I need to elaborate for any members in this Chamber on what I mean. We can ease some of the pain for those people who are hurting on that particular issue.

Finally, it is also a dignity issue. These people have the double whammy of poverty and disability. In many cases the poverty is the result of dealing with the disability. Therefore in the name of dignity, in the name of compassion and some fairness I would appeal to all members of the House and the government to get behind this issue.

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I rise enthusiastically to support my hon. colleague from Burin—St. George's on this proposed piece of legislation. I think it is an excellent initiative and I support the proposal he has made without hesitation.

I do not think there is a member of Parliament in this Chamber who at some time or another early in the game has not heard from a disabled senior citizen who has not been able to find the financial means to survive like other members of our society.

• (1900)

Speaking of seniors in general, we have a large number of seniors in Canada and it is continuing to grow. In 1971, 8 per cent of our population consisted of senior citizens. In 1991 the census figures showed 12 per cent of Canadians were senior citizens.

The growth is very rapid. The latest figures I have seen show that by the year 2036 we expect to have somewhere in the vicinity of 25 per cent of Canadians as senior citizens. This I believe gives even more impetus to the suggestion the hon. member has made.

To recap, I will use some of the figures that may be slightly different from his, however the point is still the same. The purpose of the bill essentially is to make it more fair for disabled seniors, quite a few in Canada. Specifically, it removes the requirement for seniors to have to pay, to have to reach a threshold or to have spent a total of $1,614 or 3 per cent of their income, whichever is the lesser—it is usually the lesser based on the 3 per cent—before they can deduct the 17 per cent of their medical expenses; in other words, to get some return for an expense on necessity.

Why would we make this proposal? Yes, it is out of compassion and it is out of dignity. However, there are some figures that support the reason we should be proposing and supporting this. First, disabled seniors make less and pay more for medical expenses. The figures quoted by my hon. colleague are accurate. The average income tax return in 1991, the year for which the figures are solid, was $25,639. That was the average income for those people who filed taxes. The average income for a disabled senior was $23,069. That is 10 per cent less than the average income filed.

The average expense for medical deduction was $1,580, whereas the average expense for a disabled senior was almost twice that amount, $2,716. There is one reason we should seek compassion and consideration for disabled seniors.

The second reason is that not only is their income lower, the income is based on the average, but the median income, the income that is the most recurring, not necessarily the average, the one that is basically what most of the disabled seniors earn or make, is closer to a low income level.

I agree with the figures suggested by my hon. colleague. The last time I checked the figures of the 21,000 disabled seniors in the province of Newfoundland whom I represent, 18 per cent are from low income families.

We have a group of people who deserve compassion, dignity and to be given some more hope than the average person who is not disabled or senior who can perhaps more afford to absorb the expense.

I am very conscious that I am part of a government in which the hon. Minister of Finance is trying to scrape the barrel to find every cent he can. I think every member in this House is conscious of that no matter where we stand on the issue of the budget and how it is executed.

The fact of the matter remains that for the number of disabled seniors this would help, we are looking at a sum of less than $3 million. Three million dollars is a lot of money to you, Mr. Speaker, and it is a lot of money to me. What is it in the overall expenditure of things considering the target and the group of people we are looking at?

Consider that we give in the vicinity of $5 billion to business and it says it does not really need it and does not use it well.

• (1905)

There are a lot of loopholes that have been discussed in this House tonight, yesterday and before the Christmas recess. It is the subject of many recurring media reports.

Against that backdrop $2.7 million is not a great deal of money.

I have talked about the seniors we have. I also have to remind members that of the seniors in our country, 46 per cent have some kind of a disability. Of that percentage of 46, 84 per cent live in households. In other words, they do not live in institutions where medical care, wheelchairs, hearing aids and visual aids are available to them.

Specifically, of those who live in households, 20,000–plus or 8 per cent need mobility assistance and cannot get it. Thirty–one per cent need hearing assistance and cannot get it. Ten per cent need visual assistance and cannot get it. Why?—it is not because it is not available, it is because they cannot afford it.

I would suggest if this private member's bill were passed it would certainly ease the burden on that group of Canadians which is least able to afford the expense to basically enjoy the necessities of life.

There is another statistic that I did not recall from my hon. colleague. I was also told that of the expenses that seniors who are disabled spend out of pocket, 20 per cent is for prescription and non–prescription drugs. That is one–fifth of their out of pocket expenditure. That also gives some indication of the magnitude and the importance of this particular bill.

I am like most other members in this House. I have 72 seniors groups in my riding. I have visited practically all of them. I have never visited one from which I have not come away inspired; inspired by the leadership they provide their community in helping themselves, in providing activities and staying very much alive.

I also find they are a great inspiration to the younger members of the community, showing them how to live by providing examples of life as it can be lived and, perhaps more than anything, showing all the communities I represent and which other members of this House represent the whole idea of picking themselves up by their boot straps and moving together in co–operation so that the synergism of the groups and the individuals in the groups amounts to more than the sum of the separate individual members. In my riding the largest group has

about 80 members and the smaller groups in some of the smaller communities sometimes have ten members, sometimes less.

My point is yes, dignity; yes, compassion, but also hope. This measure would indicate to the seniors that kind of compassion that Canadians from all sides of this House have for them and for their well–being.

[*Translation*]

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, I am pleased to rise today to support Bill C–282 proposed by my colleague from Burin—St–Georges.

The main purpose of Bill C–282 is to amend the Income Tax Act in order to exempt taxpayers aged 65 and over who qualify for the disability credit from the provision that only expenses exceeding the lesser of 3 per cent of net income or $1,614 are included in the calculation of the allowable amount.

In other words, this amendment will allow handicapped people over 65 to deduct from their income the cost of drugs and other medical expenses. This amendment changes the definition of formula symbol "C" in subsection 118.2(1) of the Income Tax Act.

The main effect of this bill will be to alleviate the disproportionate burden that medical expenses represent for handicapped seniors.

• (1910)

We all know that our old people spend a larger proportion of their income on health care than other taxpayers.

Some parts of subsection 118.2(1) of the Income Tax Act in its present form give us food for thought. For instance, we know that the medical expense credit and the disability credit are designed to alleviate the tax burden of eligible people. Subsection 118.2(1) contradicts this principle by taxing eligible people for up to 3 per cent of their income spent on health care.

Subsection 118.2(1) clearly violates the tax principles currently recognized in the Income Tax Act, thus requiring handicapped people to spend more.

According to a report by the National Advisory Council on Aging, seniors are twice as likely as the Canadian population as a whole to suffer from various diseases and health problems such as arthritis, high blood pressure, heart problems and respiratory disorders. They are also the most affected by physical and mental disabilities.

Again, according to the National Advisory Council on Aging, 44 per cent of men and 47 per cent of women in that age group suffer from various health problems. Seniors should get all the attention they deserve.

When the last budget was tabled in February 1994, the Bloc Quebecois denounced the fact that the tax credits available to our seniors were cut by $500 million. The Bloc Quebecois has always asked this government to restore equity. So the $2.7 million that this bill will give back to handicapped seniors is very little compensation.

I might add that just as the federal government was cutting tax credits for seniors, we learned that the largest proportion of seniors living in poverty was found in Quebec.

Bill C–282 is aimed at restoring a tax loophole. True, Canada is facing a major financial crisis and must put its fiscal house in order. This is why it is appropriate, just a few weeks before the next budget is tabled, to mention once again that the Bloc Quebecois asked for a thorough review of the tax system, so as to eliminate the loopholes used by high income earners and major corporations.

The Bloc also proposed efficient measures to reduce the deficit and control government finances without targeting the poor. These proposals, ten of them, were listed in the Bloc Quebecois's minority report on the pre–budget consultations, which was tabled in December.

As the Official Opposition critic on health, it goes without saying that I look at poverty with the issue of health in mind. Poverty affects 4.2 million people in Quebec and in Canada. There are 1.2 million children who live in poverty. A large majority of single mothers, women who are single parents, and seniors live in poverty.

The link between poverty and health was clearly established in several studies. Low income people, such as seniors, are more frequently ill, use more medication and require greater medical attention. Poverty among the elderly has increased tremendously over the last several years.

According to a study conducted by Santé Québec, almost all of the 25 most common health problems in Quebec are more prevalent among low income people than among those who are better off.

To better control the general state of health of Quebecers and Canadians, and thereby control health costs, we must first work relentlessly to solve the issue of poverty. By refusing to acknowledge the link between poverty and health problems, the federal government compromises the efficiency of our health system, thereby jeopardizing the health of a large number of Quebecers and Canadians who live below the poverty level.

• (1915)

If we look past the numbers and the statistics, we see real people, people who are suffering, people who are sick and are hungry, people who are waiting for the government to assume its responsibilities and to propose long–term solutions.

In conclusion, I would like to say that it has been proven without a doubt that the health of Quebecers and Canadians is closely linked to the endemic poverty that has swept across the country during the last recessions. Since it is well–known that this state of poverty, which affects too large a segment of the population that we represent, has a big impact on the cost of the

public health care system, we feel that we must urgently attack the problem at its root, which is poverty.

We should also remember that the men and women who are now seniors, only yesterday, blazed the trail and built with their own hands, their efforts and their lives, the Quebec and the Canada we live in today. Thanks to them, our society offers us a certain quality of life and certain values, because all through their lives, they worked to implant and strengthen them.

Today, these builders are taking a well–deserved rest. They have passed the torch on to us, and it is important, even our duty, to ensure that they be treated with respect during this period of rest to which they are entitled. Bill C–282 faithfully provides this respect. I have explained to you why I approve of Bill C–282.

[*English*]

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, before I begin my comments on Bill C–282, I would like to preface my remarks by putting this in its proper context.

It was interesting when the member for St. Boniface was making comments in regular House business, he was saying that Reform members think they have haloes. No, we do not think we have haloes, not at all.

We do look at some of the actions of the government. We do look at some of the things it is doing, particularly when we look at the plight of seniors in our nation and how they will be potentially impacted positively, I might say, by Bill C–282. All of these things have to be put into context.

I draw to the attention of the House the Ottawa *Citizen* of yesterday which states: "Treasury Board president had met bitter caucus resistance to serious pension reforms", that is from the Liberals, "in December. He said he could only promise the government will fulfil vows made during the 1993 election campaign".

The issue in Bill C–282 is particularly near and dear to the people. They see the Liberals incapable of coming to a consensus on something very simple and straightforward. Return MPs' pensions to normal industry standards. What is complex about that? I do not find anything complex about it. I realize I should not imply or impugn values, so I would not use the word hypocrisy in that context.

I am also interested in some of the actions of the government. The Calgary *Sun* on the weekend noted that in the past year Ottawa has announced a $50 million anti–smoking campaign while at the same time giving away $400 million of taxes because it was unwilling to enforce the laws of the land as they stood. It established a new $30 million anti–racism committee and will spend $1 million to celebrate the 30th anniversary of the Canadian flag.

I have had the good fortune of being able to travel offshore as a tourist from time to time. I am very proud of the Canadian flag, wear it on my apparel, have it on my suitcase. It stands for the great nation that we are. But to be putting out $1 million at this time for a 30th anniversary when we are talking about the enactment of Bill C–282 being a potential cost of $3 million to the treasury, the numbers just do not add up.

• (1920)

While I do not see in any way the concept of Reform members feeling that they have haloes, on the other side of the coin I can see why Canadians might say to themselves: "I do not understand a party where there are such willy–nilly things all over the place that just do not seem to make any sense".

Before I begin my comments on this bill I would also like to say that I really applaud and salute the member for Burin—St. George's for his initiative on this. His intent is very laudable.

I rise today to speak to Bill C–282, an act to amend the Income Tax Act on medical expenses for disabled senior citizens. As has already been recited, the purpose of this bill is to lower the threshold for deductibles of seniors for the medical expenses tax credit. It lowers the threshold by altering the formula for determining the medical tax credit for disabled seniors by means of rewording item (c) of subsection 118.2(1) of the Income Tax Act.

Under the current law the first $1,614 dollars, or 3 per cent of net income, is required to be spent before it can be taken into account for income tax purposes. The bill would make it possible for all eligible medical expenses from the very first dollar to, in effect, be income deductible for senior citizens.

The reason for targeting disabled seniors for redress is because their higher medical expenses and lower incomes leave them with a disproportionately high relative cost from the limited deductibility. It is estimated that the average deductible medical expense for disabled seniors is twice as high as that for all other tax filers.

The proposed amendment to the Income Tax Act could result in a potential revenue loss of approximately $3 million. Certainly not a huge amount in light of the numbers we were just talking about; a $400 million giveaway for taxes on cigarettes no longer collected. Actually I understand from other sources that it will be $800 million and $50 million for an anti–smoking campaign to counteract that. It seems to me we are getting close to a billion dollars when we add on the $30 million plus the $1 million I was talking about. Therefore, $3 million certainly is not a huge amount.

On the face of it, the bill seems fair and equitable. By altering part of a formula for the purpose of allowing disabled seniors

more deductions for medical expenses is part of horizontal equity. In my judgement the current rumours very rampant around the country that the government is going to be taxing medical and dental benefits would all be part of this whole thing.

I see the bill as an attempt to square a circle, the circle being the targeting of disadvantaged seniors inadvertently targeted by an aberration in the Income Tax Act. Therefore, the bill itself is not disturbing. As a matter of fact, I would probably as revenue critic for my party recommend that we seriously consider supporting it if it was votable.

What is disturbing is discovered by attempting to determine the effects of the bill. The bill amends subsection 118.2(1) of the Income Tax Act. In that subsection is a formula for the medical expense credit. Let us look at just this little snapshot of some of the complications in the Income Tax Act.

I have to read this. The formula is a(b) minus c (minus d) where *a* is the appropriate percentage for the year; *b* is the total medical expenses of the individual; *c* is presently the lesser of $1,614 and 3 per cent of the individual's income for the year; *d* concerns the income of dependants and spouses as claimed by the person filing for the medical expense tax credit. Part *c* of the formula is altered by this bill by adding (a) an amount under section 118.3. Section 118.3 deals with a tax credit for mental or physical impairment and (b) an amount under subsection 118(2), in which case *C* is equal to zero.

• (1925)

That is really terrific. Therefore we have before us in this simple one–page bill which touches the medical expense credit, the tax credit for medical or physical impairment and the age credit, a bit of an idea why Canada's Income Tax Act is over 2,000 pages long. One can see how it got to be that big. That is a matter of philosophy. Let me describe the philosophy that leads to an ever–growing act and a constantly increasing tax burden on Canadians.

There is perceived a need or deficiency encountered by certain individuals such as, for example, mental or physical impairment. I really admire the work of the member from Newfoundland but he believes that the government is to be used as an instrument of action that enacts or changes legislation to address this need.

I certainly accept that this was done with the best of intentions by well–meaning individuals, as was the case with this bill. What happens when the government acts to address the needs of only one group of people? Other groups and individuals seek to address their problems through government action. That is how we ended up with age credits, medical expense credits, GST credits, charitable donation credits, political donation credits. The list goes on endlessly.

The Income Tax Act quickly changes from being straightforward legislation which sets rates of taxation and strictly defines taxable income into an amalgamation of credits, write–offs, grants seeking to redress or placate every group in Canadian society. This is the snowball effect where the small snowball starts at the top of the hill and picks up speed on the way down the hill.

What the Liberals fail to ignore or to understand is that the fiscal crisis we are currently in is not a result of a few years of unbalanced books. It is a result of a conscious decision in the 1960s and the 1970s of the government to involve itself in the lives of its citizens to an unprecedented degree. The involvement of the government into the lives of citizens, once begun, is very hard to slow down, to stop and even harder to reverse. What we see in this band–aid legislative proposal is that a band–aid would not stop the *Titanic* from sinking.

It further complicates an overwhelmingly loaded, confusing and complex collection system. Combined with the Liberal's blind homage to the outdated concept of big brother knows best, Canadians lack real hope of reform.

As I mentioned, if this was a votable bill, I would be recommending to my caucus that we support it for all the good reasons that will be expounded. But the real reason in my judgment for this bill to even have to be in place is the complexity of the Income Tax Act that the government refuses to do anything about.

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, I appreciate the opportunity to spend a few moments tonight addressing the House on the benefits of Bill C–282 and to congratulate my hon. colleague from Burin—St. George's for his initiative and work since 1993 on this valuable legislation.

No doubt every member's riding, the same as mine in Cumberland—Colchester, is comprised of large numbers of senior citizens, many of whom are disabled. Most members, including myself, have parents whom this bill would potentially affect. In fact, it is the disabled parents and grandparents of this nation to which this bill is addressed and not just a change in the Income Tax Act. It is a statement of principle, namely Liberal principles, of how the government views and treats our rich resource of knowledge and wisdom, our human resource, our seniors, particularly our disabled seniors.

These are men and women who have worked hard all their lives and have jumped one of the last hurdles toward retirement only to find themselves struck with the financial burden along the way having become disabled and not able to enjoy the fruits of their life.

• (1930)

Unfortunately, though, we helplessly watch as they grow older, the ravages of time and disease claiming their strength and vitality. They often require extra support from the medical community which in many cases was neither expected nor

accounted for. This can easily drain their retirement savings, if they have any, and as a result many seniors end up being the responsibility of the other spouse or some overworked social worker.

For many seniors as they go beyond the 65 year mark their medical expenses in ratio to their income rises far beyond their ability to maintain anything human in lifestyle.

It is inevitable that all people will eventually need some form of medical attention as they grow older. However, when the cost of this required attention becomes so burdensome that their overall financial freedom and quality of life are reduced, the so–called golden years become bitter tears.

Added to this indignity, the Income Tax Act in its present form drops an extra load on them by not allowing adequate concession to deduct their medical expenses.

As has been stated by my hon. colleagues, the allowable limit on the medical exemption tax credit is the lesser of either 3 per cent of net income or $1,614. This means that the cash outlay for seniors up to this amount is taxed as part of their incomes.

This should not be. We should be giving every consideration to retired Canadians, especially those who have had the misfortune of falling prey to a disability.

Technology kept in its rightful place is a wonderful thing. It has allowed individuals to progress from caster boards to modern electric wheelchairs. Microelectronics now allow hearing impaired individuals to do away with listening horns and progress to highly advanced optometry. All of these aids cost money. One of the beneficiaries of this great technology is the disabled senior but as it presently stands many cannot afford these technology products.

A Statistics Canada survey on senior's health and limitations says that 8 per cent of disabled seniors who require mobility aids do not have them, 31 per cent who require hearing aids do not have them, 10 per cent of those requiring visual devices do not have them. The reason is financial cost.

The income of many disabled seniors is low. Sixty per cent of seniors with disabilities have an average income of less than $10,000. Many simply do not have the money for medical prescriptions or appliances for their needs.

We must remember that these people are the ones who built this country with their ingenuity and labour, who fought our wars and who endured hardships in the darkest times. They are parents, school teachers, doctors and neighbours.

Jimmy Carter, former President of the United States, defined the quality of a nation: "A strong nation, like a strong person, can afford to be gentle, firm, thoughtful and restrained".

There have been many comments from Canadians in recent years over the faceless and heartless form of government. We have been accepting of the norm and we are tolerant. I do not wish to see this Liberal government remembered as a faceless or heartless government. We must move back toward the gentler, thoughtful and restrained days of the Government of Canada they have known before these present years. Our firmness will not be lost. We are a strong a nation. We can afford to show our elderly consideration.

What this bill is about is the cost of taxation that is too high to a particular sector of society which has a low ability to pay. This is inequitable. It is also very unfair. What this bill is about is putting fairness in the Income Tax Act for our disabled seniors. What this amendment does is allow all medical expenses to be deductible for disabled seniors.

Recently I received a letter from a couple in my riding who are in the position of many disabled seniors across this country. They wrote to me and I telephoned them to get permission to read a little of their letter:

> Dear Mrs. Brushett,
>
> I am writing on behalf of my husband and myself to express our concern for the government's proposed changes to social programs such as old age assistance. Our concern is for people like ourselves who are trying to live on fixed incomes, pay our usual living expenses, buy prescription drugs, walkers, wheelchairs and special devices, some of which we pay taxes on when purchased.
>
> While we realize something must be done about the deficit, the answer is not with people who don't have much of a chance of helping themselves.

When we talked to Mr. and Mrs. Tower of Amherst, Nova Scotia, they said "We are getting by. We are able to make do. We do not have much left but we are able to make do".

• (1935)

This bill would allow eligible medical expenses from the first dollar to be effectively income tax deductible. This bill would help people like the Towers of Amherst, Nova Scotia.

We have the opportunity as a government to exhibit strength of character and to make adjustments for those in this country who need it most. We cannot let this issue die only to be brought forward again in the future by those who may not see particularly as clearly as we do today.

Finally, I wish to re–emphasize that Bill C–282 is going to effect the people who need it most. It will not be a set of statistical data sitting on a storage shelf collecting dust. It will not help the research notes of political science students. It will

help living, breathing human beings who need help most in our communities today.

In the spirit of the words once spoken by the Right Hon. W.E. Gladstone I would affirm: "Show me the manner in which a nation cares for its elderly and I will measure with mathematical exactness the tender sympathies of its people, their respect for the laws of the land and their loyalties to high ideals".

[*Translation*]

Mr. Maurice Dumas (Argenteuil—Papineau, BQ): Mr. Speaker, if adopted, Bill C–282 would amend the Income Tax Act to remove, for taxpayers aged 65 and over and eligible to claim the disability credit, the requirement that only expenditures on goods and services required for medical reasons in excess of the lesser of 3 per cent of net income or $1614 may be used in calculating the medical expenses tax credit.

We in the Bloc Quebecois support this proposal, since all medical expenses would be fully deductible from the income of disabled seniors. This change in the system would be made by changing the definition of formula symbol "C" in subsection 118.2(1) of the Income Tax Act.

Disabled seniors have substantial medical expenses that are often higher than those of other tax filers. The 1993 national advisory council on seniors sketched the following picture of the health of seniors in Canada: About 80 per cent of seniors aged 65 and over said they were suffering from one or several chronic conditions, while only 20 per cent said their activities were restricted to the point where they required assistance in getting on with their daily lives—this according to statistics compiled in 1991.

It is clear that limited deductibility represents an enormous expense for disabled seniors, considering their many medical expenses and low incomes. These people pay taxes on amounts that may represent up to 3 per cent of their income, which is not in accordance with currently recognized tax principles.

The proposed amendment would only provide tax relief in terms of expenses actually incurred. It would not change the provisions on production of receipts, which are already included in the Income Tax Act. The 1993 national advisory council on seniors also described the health problems of seniors, saying that seniors aged 65 and over were twice as likely as the rest of the population to report respiratory problems, arthritis and hypertension, and three times as likely to report cardiovascular problems.

Among seniors, the percentage of mentally or physically disabled in 1987 was 47 per cent for women and 44 per cent for men. These ratios, together with the rate of multiple disabilities, tend to increase with age. During the 1991 tax year, the latest year for which data are available, 153,490 tax filers aged 65 and over claimed the disability credit.

• (1940)

Of this number, 91,050 had taxable income. This is the group for which the proposed amendment could represent an additional cost to the federal tax system. Of the 153,490 filers, 18,380 claimed medical expenses greater than the deduction limit.

Basically, if the amendment were passed, all these taxpayers could see their medical expense credit increase by three per cent of their net income, that is to say by the amount they used to have to subtract on their return.

On the other hand, this amendment affects a larger group: taxpayers with medical expenses lower than the deduction limit, often under $200, who would also be claiming the medical expense tax credit.

The approximate figure of 91,050 disabled senior citizens with a taxable income is indicative of the potential number of claimants. If you subtract those who are already claiming the medical expense credit, the total number of persons affected is 80,000.

Combined tax expenditures in terms of basic federal income tax on both groups, the old and new medical expense credit claimants, for 1991 are about $2.6 million, without the federal surtax which, if it were added on, would bring the grand total to about $2.7 million. This amendment to the Income Tax Act is needed to improve the quality of life for handicapped seniors.

A Canadian Press article published in the January 26 edition of *Le Droit* quotes a just released study by the national advisory council on aging as saying that Quebec seniors are the poorest in Canada and that Quebec holds the dubious record of the highest poverty rate among people aged 65 and over in Canada. According to the council, despite some improvement in their economic situation, many seniors, especially those living alone, live in poverty. The council also found that women aged 65 and over have less money than their male counterparts, a gap which increases after 75.

Old age security is still the main source of income for seniors, especially women. People aged 65 and over get over 50 per cent of their income from government programs.

The study shows that in 1992, the percentage of people making less than $15,000 increased with age, especially among women.

A Canadian Press article published in the January 21, 1995 edition of *Le Droit* stated that middle–class workers would not be able to spend their old age in comfort and that, according to the Canadian institute of actuaries, taxing RRSPs would have disastrous consequences. The institute feels that this measure would lower the savings rate in Canada and increase public

expenditures in the long term, when the baby boom generation reaches retirement age.

In the future, the challenge for individuals and decision makers will be to balance the various sources of retirement income, so as to ensure that private and public retirement funds, along with personal savings, will be such that the largest possible number of Canadians and Quebecers can enjoy an adequate standard of living in their retirement years.

It is essential for the government to realize that it must not cut into social programs and thus reduce the quality of life of our seniors. Rather, it must cut into the family trusts of rich Canadian families, since assets held in these trusts are not subject to capital gains tax for several years.

• (1945)

These trusts allow rich families to protect part of their family assets from generation to generation. Family trusts, which were introduced in 1972 by the Trudeau government, required a deemed disposal of assets in trust after 21 years, that is in 1993 for trusts set up before 1973.

The Bloc Quebecois has nothing against family trusts; however, it does object to their use as tax loopholes. For example, the Bloc is against the deferral, to the next generation, of the tax payable on capital gains. We also ask the government to release the figures on the value of assets held in family trusts and on the loss of tax revenue resulting from the deferral of the tax payable on capital gains.

The Income Tax Act should also be amended to prevent Canadian companies with subsidiaries abroad from using the fiscal losses of these subsidiaries to reduce their taxable income in Canada.

Bill C–282 is an act to amend the Income Tax Act so as to eliminate, for taxpayers aged 65 and over who are eligible to the credit for disability, the applicable reserve. This bill is acceptable, since disabled senior citizens are often among the poorest people in our society.

As spokesperson for Canadian associations and organizations representing seniors, I once again pledge to ensure that this social program review does not become a mere exercise to cut into programs which protect the poor, and particularly the elderly.

I have always been firmly opposed to letting the federal government reduce the deficit at the expense of our seniors, who have worked all their life and who deserve a decent standard of living.

We support this measure because all the medical costs would be deductible from the income of disabled seniors, and we feel that this amendment is essential.

[*English*]

Mr. John O'Reilly (Victoria—Haliburton, Lib.): Mr. Speaker, thank you for the opportunity to be able to reply to Bill C–282, moved by the member for Burin—St. George's, a most beautiful peace of the rock.

I commend the hon. member for his initiative. I only wish it were a votable item. I find there are a growing number of seniors moving into my riding of Victoria—Haliburton. As the population in my area grows, this bill will be a great asset to the people in my riding. In other words, all eligible medical expenses will effectively be income deductible for disabled seniors.

Elimination of the burden borne by disabled seniors with respect to medical expenses is indeed something to be commended. Disabled adults over the age of 65 have the highest medical expenses of any group in our society.

This bill, moved by the hon. member for Burin—St. George's will provide relief for over 170,000 seniors who qualify because of low income, and the number of those in that age bracket is growing every year.

The bill targets a very deserving group in our society and is designed to address the need for fairness in the Income Tax Act. Three million dollars will be available for 170,000 poor, disabled, deserving people who are seniors. Who could question this motivation? Fifty–six per cent of the group are women.

I commend the member. I promise to bring my concerns and the concerns of other members to the minister, and work for disabled seniors not only in Victoria—Haliburton but in all of Canada.

The Acting Speaker (Mr. Kilger): The time provided for the consideration of Private Members' Business has now expired.

Pursuant to Standing Order 96, the order is dropped from the Order Paper.

ADJOURNMENT PROCEEDINGS

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

ATLANTIC CANADA OPPORTUNITIES AGENCY

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, I rise to once again pose a question I posed to the minister responsible for ACOA. I posed this question on December 8 and I do not believe I received a satisfactory answer. Therefore, I would like to raise it again.

When I do get the answer this time I would rather not go into the rhetoric of regional development grants. I would like to get

an answer to the question. With all due respect I am trying to determine whether or not this Liberal government can assess what is productive in regional development grants.

I want to read the question I raised: Does this minister know the difference between a grant and a loan that is not repaid at taxpayers' expense? The reason I asked this was that when the minister was in Atlantic Canada he suggested that ACOA was no longer going to give grants, it was going to be dealing in repayable loans.

In 1992–93 ACOA wrote off $50 million in loans. I guess what this government has to understand is that a loan that is written off is no different from a grant because the individual is really not accountable for the loans.

If ACOA is now exclusively involved in the loan business, the question I posed to the minister was relevant to the FBDB which is actually the arm that provides venture capital to business on loans.

I would like to pose the question again in a simpler way. If the government is taking grants away from ACOA and ACOA is now one of the institutions responsible for venture capital or repayable loans, why not close down ACOA and let the FBDB take its place? That would save some money on the operations of ACOA and still would provide venture capital to Atlantic Canadians.

The Acting Speaker (Mr. Kilger): The hon. parliamentary secretary. I would also like to mention that she is the member for Halifax.

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration, Lib.): Mr. Speaker, and I am a proud maritimer who did not go down the road.

It gives me great joy to respond to the hon. member for Fraser Valley West and to remind him that on December 7, 1994 the minister for ACOA delivered an address which charted a new course for regional development in Atlantic Canada. That was the outlining of the Team Atlantic approach to private sector job creation and an end to grants to business.

He said that within a couple of months ACOA would be releasing the policy and hey, guess what? February 7, two months to the day later, ACOA released the new policy this afternoon to make direct assistance to business repayable. I do not know when members opposite will learn that when this minister says he is doing something he does it.

This new direction for ACOA will make 100 per cent of direct assistance to business under the action program fully repayable on a fixed timetable. This new policy was established in consultation with provincial governments and business which support complete repayability.

ACOA will continue to make unsecured risk capital available for small and medium sized enterprises, SMEs. We have heard the concerns of SMEs which stated that access to capital is the key to success. This patient capital allows business to become successful before repayment is required.

I was glad to hear that the leader of the Reform Party supports the government's direction in this matter as he stated on the CTV news in December 1994 that it was a step in the right direction. However, it is unfortunate that the member continues to spuriously attack the only agency of government devoted exclusively to the needs of Atlantic Canadian business. This must reflect some underlying attitude.

I say we should stand and congratulate the minister for the constructive solutions he is offering to the problems confronting the region. We know what the problems are. We know that ACOA, not FBDB, is the answer to those problems and we are going to get on with the job.

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 38(5), the motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 7.54 p.m.)

HOUSE OF COMMONS

Wednesday, February 8, 1995

The House met at 2 p.m.

Prayers

STATEMENTS BY MEMBERS

[*Translation*]

HIS EXCELLENCY THE GOVERNOR GENERAL

Mr. Guy H. Arseneault (Restigouche—Chaleur, Lib.): Mr. Speaker, I would like to congratulate His Excellency the Right Hon. Roméo LeBlanc, who has just been sworn in as Governor General of Canada. Mr. LeBlanc is clearly an excellent person for the job.

He has worked tirelessly and unstintingly for a united and prosperous Canada. In his speech this morning, Mr. LeBlanc expressed his love for Canada. As he said, it is up to us to build our future together as Canadians.

The choice of Mr. LeBlanc is an honour for all Acadians. As you know, he is the first Acadian to be appointed to the position of Governor General. We are proud of him.

I would like to wish His Excellency the Right Hon. Roméo LeBlanc and Mrs. LeBlanc success and happiness throughout this mandate.

* * *

HIS EXCELLENCY THE GOVERNOR GENERAL

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, I would like to acknowledge, on behalf of the official opposition, the swearing in today of Roméo LeBlanc as the Governor General of Canada. Following his long career as a member of Parliament, minister and Liberal senator, his appointment as Governor General recognizes a life dedicated to politics.

Just as the Leader of the Opposition congratulated the Prime Minister in the House when the appointment of Mr. LeBlanc was announced, we also congratulate the Prime Minister on choosing, for the first time, an Acadian as Governor General.

We hope the Governor General will play a role in promoting the rights of francophone and Acadian communities in Canada. We acknowledge and respect the Governor General's right to defend Canadian unity, just as we must recognize the right of sovereignists to defend their plans because, when all is said and done, the decision is for Quebecers to make and for them alone.

* * *

[*English*]

CANADIAN AIRBORNE REGIMENT

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, in her Standing Order 31 statement yesterday the hon. member for Brant attributed to me "comments denying any racism in the video depicting conduct of some members of the Canadian Airborne Regiment". I assume the hon. member took this statement, out of context and misrepresenting my position, from a media report.

Now I consider calling someone or an organization racist to be a very serious charge and demand factual evidence before levelling such a charge.

It is one thing to have my position misrepresented in the media but quite another to have it misrepresented in the official records of this House of Commons.

I make this statement to make clear that I did not and will not condone racism in any form. However, neither will I join the politically correct in flinging charges of racism before I know all the pertinent facts.

* * *

PROJECT PRESERVATION

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, I rise in the House today to pay tribute to Project Preservation, an environmental youth group in my riding of Parry Sound—Muskoka.

Recently the group was honoured with the Ward Smith environmental youth award. This award is presented by the North Bay–Mattawa Conservation Authority for outstanding youth contributions to the local environment through awareness and action.

Project Preservation was established in the fall of 1986 as a response to the growing need for an active environmental group dedicated to education.

Within the past eight years, the need to protect our environment has grown and Project Preservation has evolved with it. Project Preservation's main focus is the publication of a bi-monthly newsletter called "Nature's Plea". "Nature's Plea"

covers a wide range of environmental issues and provides an optimistic outlook to the problems we face.

Within the past year Project Preservation has organized numerous tree plants, litter clean–ups, benefit music festivals and campaigns such as the bad mail campaign, a project to combat junk mail.

My congratulations and best wishes are extended to Project Preservation and to—

* * *

[*Translation*]

FEDERAL PUBLIC SERVANTS

Mr. Eugène Bellemare (Carleton—Gloucester, Lib.): Mr. Speaker, federal public servants are the government's most precious resource; they implement its programs, deliver its services and apply its regulations.

[*English*]

If there are to be program cuts or service cuts of any kind in the coming budget I ask that the government privatize or contract out these activities and give first crack to those public servants affected. I also ask that the government change the Superannuation Act to permit those affected from age 50 and on to be able to take voluntary early retirement without penalty.

Let there be no public servant penalized because of public service renewal.

* * *

[*Translation*]

SHARING THE NATIONAL DEBT

Mr. Martin Cauchon (Outremont, Lib.): Mr. Speaker, we were very surprised to hear that Quebec's Minister of Finance completely changed his mind last Monday about assuming a share of the debt if Quebec separates.

Minister Campeau stated that an independent Quebec will not be forced to accept something that undermines its economic development especially because "it is not our debt, it is Canada's debt".

The minister's recent statement basically contradicts a statement he made in 1994, that Quebec was worried when it saw the cumulative national debt reach $550 billion as of March 31, 1994, because Quebecers have to pay 25 per cent of it.

The uncertainty created by such statements can only undermine the efforts of those who are working hard for the country's economic recovery.

* * *

• (1405)

FEDERAL PUBLIC SERVICE

Mr. Réjean Lefebvre (Champlain, BQ): Mr. Speaker, with the Prime Minister only too ready to make disparaging remarks about federal civil servants, who according to him are sitting around and doing nothing, and with the government poised to slash public spending, four Liberal MNAs for the Outaouais prefer taking it easy in the sun to defending the interests of their constituents.

The stakes have never been higher for the federal public service in the Outaouais, as it faces the worst cuts in its history. Outaouais residents are worried about privatization, reduced services and the loss of their jobs. And while they worry, MNAs Middlemiss, MacMillan, Lafrenière and Lesage are away, indifferent to what is happening and doing nothing to stop it.

What sort of political commitment is it when these Liberal MNAs would rather relax in a warm climate than look out for the real problems of those they represent?

* * *

[*English*]

ETHICS

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, serious allegations have been made concerning the business activities of the member for St. John's West for some months now. The Liberal government has been advised of the situation and a petition for recall has been circulated throughout her riding.

The *Evening Telegram* in St. John's has reported on this fiasco at length. CBC St. John's this morning made public that she is indeed the subject of an RCMP investigation.

This government talks so much about ethics, but will not walk the walk when its own members are involved. Since this government refuses to allow the ethics commissioner to report to Parliament or investigate individual MPs, then recall legislation introduced by the Reform member for Beaver River which was turned down by this government is now more important than ever to the people of St. John's.

Let me quote Janet Ryan from Torbay, Newfoundland: The Prime Minister "as leader of the country and the Liberal Party is morally bound to demand her resignation".

* * *

[*Translation*]

FESTIVAL DU VOYAGEUR

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Mr. Speaker, I invite you and all my parliamentary colleagues to come to St. Boniface, Manitoba, to take part in the Festival du Voyageur, which starts Friday, February 10.

This festival is a celebration of our history, our traditions and our culture, as well as the contribution of Manitoba's other founding nations, including all of Canada.

Well-known stars will perform in Manitoba this weekend. We offer an impressive line-up of shows and events and we also have our joie de vivre.

This will be an opportunity to demonstrate how a small, rather isolated community can still be quite vigorous and willing to live and work with others.

* * *

[*English*]

PARTY AFFILIATION

Ms. Paddy Torsney (Burlington, Lib.): Mr. Speaker, I have here a letter written by the member of Parliament for New Westminster—Burnaby dated January 9, 1995 in which he writes:

> There is only one kind of event that will motivate the government to take notice of what mainstream Canada wants—soaring Reform Party memberships.
>
> A burgeoning "card carrying membership" is far more effective than protests, letter writing, petitions, or other traditional types of lobbying.
>
> I know you will understand why this is true.

I do not know why it is true. It is a flagrant misuse of taxpayer supplied stationery and franking privileges. It totally misrepresents the impact of petitions, letters and our work here in this House. It certainly makes me wonder why the member stands up to present petitions.

To all Canadians, especially to my constituents, I will listen to their opinions, whether they have a party affiliation or not. All Canadians have the right to be heard. They should continue to sign petitions, write letters and call their members of Parliament. They have a right to provide input to our work in this House.

* * *

SENIOR MEN'S CURLING CHAMPIONSHIP

Mr. Bob Kilger (Stormont—Dundas, Lib.): Mr. Speaker, the member for Glengarry—Prescott—Russell and I wish to congratulate the senior men's team from the Cornwall Curling Club in my riding of Stormont—Dundas. This foursome represented the province of Ontario at the recent Canadian Senior Men's Curling Championships held in friendly and hospitable Saint John, New Brunswick.

Lead George Dolejsi, second Keith MacGregor, third Thom Pritchard, the lone Glengarian on the team, and Skip Bill Dickie proved to be the pride of Ontario and Cornwall by winning the coveted Canadian Senior Men's Curling Championship.

• (1410)

We commend them for their effort and dedication to this popular sport that enabled them to win such a prestigious national championship.

[*Translation*]

We are proud of them and we congratulate them.

* * *

REFERENDUM ON QUEBEC SOVEREIGNTY

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, results of the Léger & Léger poll published today clearly show that a No vote in the Quebec referendum means the exact same thing to English Canadians as it does to Quebec sovereignists.

Far from being a bargaining chip, a No vote is construed as a No to any constitutional change and any form of renewed federalism. The poll found that scarcely 10 per cent of respondents were not opposed to a special status for Quebec. In fact, two thirds did not recognize Quebec as a distinct nation.

The poll also shows that half of those surveyed feel that Canada should recognize Quebec as a sovereign nation should the Yes side win. In addition, some 58 per cent of Canadians are in favour of maintaining economic ties with an independent Quebec. Beyond the calculated threats of politicians, Canadians are saying clearly that they want to build a partnership that is sound and productive for everyone.

* * *

[*English*]

IMMIGRATION AND REFUGEE BOARD

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, the Immigration and Refugee Board is out of control.

In January, Boujan Inthavong was released from prison in B.C. and ordered deported because of his role in a brutal gang murder. Knowing the system, he got himself a lawyer and delayed his deportation by making a refugee claim. Unbelievably, the IRB gave refugee status to this dangerous criminal in a 15 minute hearing. Now he is here forever.

The IRB completely disregarded his crimes. But even more unbelievable is the stated refusal of the minister of immigration to intervene and stop this ridiculous refugee claim which has made a mockery of justice and a laughing stock of the taxpayers. He had the power to halt the hearing before it got started but decided not to. He went on record to say that he would not even attempt to overturn the decision.

Canadians are used to the stupidity of the IRB, but for the minister who refused to act when he had every legal right and responsibility is itself nothing short of criminal.

The Speaker: Colleagues, I would urge all of us in our statements under Standing Order 31 to be very judicious in our choice of words as we are coming very close to attacking one another as members. I would appeal to all of you to look at the

statements that you are making and please see to it that the statements that are being made do not engage in personal attack.

* * *

SUSTAINABLE DEVELOPMENT

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, I believe it is time that Canada began to take a lead role in the establishment of alternative sustainable institutions.

With the rapid globalization of capital, the people of the world need more than ever institutions committed to democratic governance, decentralized decision making, transparency, community involvement, full and open public participation and full public accountability. We need institutions committed to sustainable development which promote social and economic justice including global health and education, energy conservation, renewable energy, micro–enterprise, sustainable agriculture and forestry, mass transit and the reversal of economic degradation.

Canada is hosting the G–7 in Halifax in June. We can begin this important process by taking a lead role as the host nation in calling for and working toward a full and fundamental review of the policies and practices of the 50–year old Bretton Woods institutions, projects and programs.

* * *

PRIVATE PHILLIP BADANAI

Mr. Joe Comuzzi (Thunder Bay—Nipigon, Lib.): Mr. Speaker, it is a pleasure for me today to speak of a young man from Thunder Bay, Private Phillip Badanai.

Private Badanai was a member of the Lake Superior Scottish Regiment and is now a member of the Royal Canadian Regiment. He was serving as a peacekeeper in Bosnia on December 31, 1994 when he was injured in action. I am pleased to report to the House that he has made a full recovery.

Private Badanai is the son of Sharon and the late Norris Badanai of Thunder Bay, but more important, he is the grandson of Hubert Badanai who served with distinction as the member for Fort William from 1958 to 1968.

I am sure his father and his grandfather would be very proud of Private Badanai as all Canadians are with respect to his role as a peacekeeper on behalf of all of us.

* * *

[*Translation*]

HIS EXCELLENCY THE GOVERNOR GENERAL

Mrs. Pierrette Ringuette–Maltais (Madawaska—Victoria, Lib.): Mr. Speaker, it was a great pleasure for me to attend the swearing–in of the 25th Governor General of Canada, the Right Honourable Roméo LeBlanc.

• (1415)

His Excellency delivered an historic speech. As an Acadian, he was able to link our past to our present, and to set forth the principles which will guide all Canadians to a promising future. The new Governor General is a remarkable man to whom all Canadians will be able to relate, because of his simplicity, his humility and his great wisdom.

I wish the very best to His Excellency, the Right Hon. Roméo LeBlanc, and to Mrs. LeBlanc in their new roles. As a French–speaking person from New Brunswick and member for the riding of Madawaska—Victoria, I speak for my constituents when I say how proud we are of this great Canadian, this great Acadian, who has shown that, in Canada, it is possible to achieve great things without relinquishing one's identity.

ORAL QUESTION PERIOD

[*Translation*]

CANADIAN SECURITY INTELLIGENCE SERVICE

Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ): Mr. Speaker, following allegations that the Reform Party had been infiltrated by a CSIS agent, the Prime Minister said repeatedly in the House that federal intelligence services had no mandate to spy on politicians, whoever they happened to be.

On December 16, Michel Robert, acting chairman of the Security Intelligence Review Committee, stated there was no file on the leader of the Reform Party. However, in a letter dated January 27, the executive director of the SIRC confirmed that since October 1989, there had been a file under the name "Preston Manning".

My question is directed to the Deputy Prime Minister. Why did the Prime Minister and the Deputy Prime Minister, in October 1994, say in the House that no intelligence service had a mandate to spy on politicians, when we now know that CSIS actually has a file on the leader of the Reform Party and has had one for five years?

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, this matter was explained fully in a letter to the parliamentary subcommittee by the chair of the Security Intelligence Review Committee.

He said that the file in question did not relate to the leader of the Reform Party but rather to a low level investigation about possible financing by a foreign country of the election campaign in question.

When it was found that this was not the case, the investigation was terminated. The heading on the file did not accurately relate to what the file was about. It was not a file involving an investigation of the leader of the Reform Party.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, it was probably a coincidence that they picked the name of Preston Manning for their investigation. Just a coincidence, Mr. Speaker.

I want to ask the Solicitor General how Canadians and Quebecers can be expected to trust the Security Intelligence Review Committee, after its chairman denied the existence of a file on the leader of the Reform Party in December 1994 and its executive director confirmed, in January 1995, the existence of a file, that happened to be under the name "Preston Manning"?

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, the hon. member should give complete information to the House. What the executive director of the Security Intelligence Review Committee said was that in spite of the initial name of the file, it did not relate to the leader of the Reform Party but rather to the investigation of possible financing of an election campaign by a foreign country, which did not turn out to be correct.

I think the hon. member should give the whole story to the House. It would help us have a better question period.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Exactly, Mr. Speaker. We would like to have the whole story in the House. We wonder why the SIRC first denied the existence of the Preston Manning file before committee members and then confirmed that there was a file on the leader of the Reform Party.

Would the Solicitor General agree that the only way to get to the bottom of this, as he claims he wants to do, is to set up a genuinely public and independent commission of inquiry?

• (1420)

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I wish the hon. member had listened to my answer instead of reading out the question he had already prepared.

My answer made it clear that based on information provided to me by the Security Intelligence Review Committee, the file in question was not about an investigation of the leader of the Reform Party but about the possible questionable financing by a foreign country of an election campaign.

The Security Intelligence Review Committee, under the statute creating CSIS, is in effect a permanent royal commission with a specific mandate to keep under review the activities of CSIS. The quality of its work has been demonstrated by the comprehensive report of the Heritage Front affair that brought to light the issue about which the hon. member is talking.

While the Security Intelligence Review Committee operates at arm's length from the government, I would think that if the subcommittee wanted to hear further from the Security Intelligence Review Committee on this subject it would be happy to come back to the subcommittee.

* * *

[*Translation*]

NATIONAL DEFENCE

Mr. Jean-Marc Jacob (Charlesbourg, BQ): Mr. Speaker, my question is for the Minister of National Defence.

On March 16, 1994, I asked the defence minister in this House how senior officers at CFB Petawawa could let 2nd Airborne Commando members go around the base displaying Nazi flags on Canadian Forces vehicles as well as white supremacist and Ku Klux Klan insignia. Almost one year later, the broadcasting of revealing videos spurred the minister into action.

Can the defence minister assure us that the board of inquiry's mandate will not be limited to the events in Somalia because, if it is, we must conclude that dismantling the Airborne Regiment will allow the officers and NCMs who have committed unacceptable acts to avoid punishment by being redeployed to other regiments or even decorated?

[*English*]

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I have already announced publicly that the inquiry will begin as soon as the last court martial is concluded, which will be about the middle of March. It will deal with the Canadian Armed Forces deployment to Somalia in 1992-93; how the regiment was prepared for that deployment; how particular incidents which occurred in Somalia were reported, investigated and handled, both on the ground in Somalia and here in Ottawa at national defence headquarters.

I want to assure the hon. member and Canadians generally that all of the concerns that one might have about the incidents in Somalia and our engagement there will be subject to the inquiry's terms of reference, once the inquiry is established. As I said before, that inquiry will begin as soon as the last court martial is concluded.

[*Translation*]

Mr. Jean–Marc Jacob (Charlesbourg, BQ): Mr. Speaker, I think that the minister forgot to answer part of my question. I also asked him for an investigation into the events on the base itself.

My second question is this: Does the defence minister confirm that, in a recent investigation, the military police seized a third videotape whose content may be more violent and even more shocking than the two previous ones? Can the minister promise that this new tape will not be destroyed like some of the evidence relating to the events in Somalia, which has vanished?

[*English*]

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I have no knowledge of the existence of the tapes or other evidence to which the hon. member is alluding.

If he has such evidence then hopefully he would make it available to me, and I could pass it on to the military police authorities. Of course that could be a subject of interest for the inquiry at a later date.

* * *

SOCIAL PROGRAMS

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, many months ago the Minister of Human Resources Development launched his much touted review of social programs. He promised to radically transform our social safety net to make it more efficient and restore hope to those entrapped within it. Now, months later and millions of dollars later, nothing. The minister has failed to deliver on any of his promises and his failure will cost Canadians dearly in the budget.

My question is for the Deputy Prime Minister. Given the government's failure in this regard, what plans does it now have to reform social programs and when can Canadians expect the results?

• (1425)

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, unfortunately the hon. member is attempting to cast a very important initiative which has been very broadly and strongly endorsed by the Canadian people to help reform social policy in a light that only reflects his own particular pessimistic view of things.

The government is very much committed to continuing with social reform. We now have the committee report which has a number of recommendations in it. We are looking at that report very carefully. We will be responding to it within the time required by the House in terms of a specific policy and we are going forward with our plans to bring in legislation this fall.

Social policy is well on track, unlike the policies and positions of the hon. member.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the failure of the social program review has a direct impact on the spending in the budget.

As the government knows, over 60 per cent of its spending is in the social area. The budget cannot be balanced unless both social programs and social spending are substantially reformed.

Will the government not acknowledge that the primary reason the finance minister is now considering tax increases, which he was not doing two months ago, is because the human resources development minister failed to deliver on social programs and social spending?

In other words, will the government acknowledge that it is the taxpayers who are going to pay for the human resources development minister's failure?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I will repeat the answer once again for the hon. member. I recall very well that during his election campaign he was a strong advocate of listening to the judgment of the people. Since he has been elected to the House it seems he no longer has much faith or trust in their judgment.

We still do and that is why we undertook for a period of four months a very serious, very extensive, very broad based discussion with Canadians. Over 100,000 participated in one way or the other.

Our reforms will be based on the judgment of the people, not on the curious and strange ideology of the hon. member opposite.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the government has not yet provided any satisfactory explanation for the failure of the social program review. Surely one of the reasons is that the minister handed out millions and millions of dollars to liberal thinking special interest groups to lobby for the status quo and against spending reductions.

This is becoming the Achilles' heel of the government. The parole board has been weakened by patronage and special interest politics, as has the IRB and the social program review.

My question is for the Deputy Prime Minister. Instead of excusing and justifying patronage and special interest politics, when is the government going to acknowledge that it is this addiction which weakens the government's integrity and do something to correct it?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, what the member calls an addiction

to special interest groups could much more properly be expressed as a real interest and willingness to find out what Canadians believe and what they say.

The proof of the value of having that kind of broad based discussion with Canadians is demonstrated in the kind of recommendations that the majority members tabled when the committee reported this week, unlike the Reform Party's recommendations.

The member for Calgary North, a member of the committee, is quoted today as saying that she hopes people do not misinterpret aspects of the Reform Party's report on social policy, admitting "they were not thought through very well before they were rushed into print".

Some hon. members: Oh, oh.

An hon. member: That is priceless.

An hon. member: Are we surprised?

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, there is no question that the member for Calgary North is certainly much more correct than the hon. member for Calgary south.

* * *

• (1430)

[*Translation*]

DEPARTMENT OF JUSTICE

Mrs. Pierrette Venne (Saint–Hubert, BQ): Mr. Speaker, my question is for the Minister of Justice.

During the last election campaign, the Liberal Party promised to put an end to patronage. But when it comes to appointing legal advisors, the government just keeps breaking its promises.

Can the Minister of Justice confirm that his department recently stopped dealing with a Cowansville law firm and gave its business to the law firm of Eugène Bachand, who is the president of the Brome—Missisquoi Liberal Association, while the law firm of Liberal candidate Denis Paradis was allowed to continue to do business with the Department of Justice to the tune of $100,000 a year on average?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, when the government goes to the private bar to obtain lawyers for assistance the chief criteria for that selection are competence and merit.

In Brome—Missisquoi and in places across the country the Department of Justice, since the election of the government, has reformed the process of selecting legal agents to ensure that they are properly trained and supervised, that they act without conflict of interest, and that services are provided in accordance with the highest standards of competence. Those are the criteria upon which we select agents.

[*Translation*]

Mrs. Pierrette Venne (Saint–Hubert, BQ): Mr. Speaker, could the Deputy Prime Minister tell us whether the Minister of Justice gave this work to Eugène Bachand to get him to withdraw as the Liberal candidate for Brome—Missisquoi in favour of Denis Paradis?

The Speaker: My colleague, it seems to me that your question does not exactly fall within the mandate of the minister in question, but has to do with the party rather than the administration of this particular department.

* * *

[*English*]

WESTERN ECONOMIC DIVERSIFICATION

Mr. Cliff Breitkreuz (Yellowhead, Ref.): Mr. Speaker, my question is for the minister of Winnipeg, or is it western economic diversification?

I recently released a critical study of his department which showed conclusively that his home town of Winnipeg was receiving a disproportionate amount of WED dollars. This report, which was based on information obtained directly from his department officials, showed that Winnipeg received five times more than Vancouver, seven times more than Calgary, and seventy times more than Regina between November 1, 1993 and November 15, 1994.

Why is the minister funnelling far more taxpayer dollars into Winnipeg than any other western city?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, it seems to be my day with the Reform Party.

Some hon. members: Oh, oh.

Mr. Axworthy (Winnipeg South Centre): As we heard in the last round of questioning—

The Speaker: It is getting more and more difficult to hear the questions and the answers. May I appeal to members to listen to both the questions and the answers.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, as we discovered in the last round of questioning, the accuracy and reliability of Reform Party reports are somewhat questionable. We can see it even more so in the report cited by the hon. member wherein the statistics were based upon only 20 per cent of the actual approved projects for western Canada.

If the hon. member and the Reform Party are trying to demonstrate to Canadians that they are the soul of rectitude when it comes to finances, it seems to me they should learn to count.

• (1435)

Mr. Cliff Breitkreuz (Yellowhead, Ref.): Mr. Speaker, the minister stands here and gives his version of the facts while officials recently told the media that Winnipeg receives a disproportionate amount of funds, even more than I stated in my report. No matter how we slice it, western economic diversification is largely about pork barrelling.

Is the minister willing to dismantle the department to show Canadian people that he will put the nation's finances ahead of his own pork barrel agenda?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, just to point out the old adage that figures never lie but liars use figures—

Some hon. members: Oh, oh.

The Speaker: Many times in the past we have quoted great writers. I would ask the hon. minister if he would withdraw the word "liars" used in that context. Would you please withdraw that word.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, seeing that it is a saying I learned at my mother's knee, I would certainly not want to have it refer to that specific member. I was using it as a general philosophical saying.

The Speaker: My colleagues, we cannot go from quoting great writers to our mothers' lullabies. Would the minister withdraw forthwith.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, I certainly withdraw any specific reference or any interpretation that the hon. member was a liar.

I will seek to refer to Bartlett's quotations—

The Speaker: Perhaps the hon. minister would go directly to his answer.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, just to answer the hon. member directly, I would first point out that in this past year, if one looks at the geographical allocation which of course we do not do because we have been promoting a strategy that tries to look at projects on a pan–western basis to benefit all regions, the province of British Columbia received close to 50 per cent of all funding coming from western diversification.

One member alone who happens to be a Reform Party member received upward of $37 million in one grant. He takes the cake for having the largest allocation of any member. I congratulate the hon. member for his effectiveness. However, when we make city to city comparisons, I would also like to say to the regret of my Manitoba colleagues the city that benefited most per capita from investment from western economic diversification was the great Queen city of Saskatchewan. I compliment the members of that area.

* * *

[*Translation*]

UNITED STATES ENTRANCE FEE

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, my question is for the Minister of Foreign Affairs. By proposing in its budget to levy a tax or entrance fee of $3 per vehicle and $1.50 per person entering the United States, the American government stirred up unanimous opposition in Canada and in Quebec, where such a tax is felt to be utterly contrary to the North American Free Trade Agreement.

Can the Minister of Foreign Affairs tell us how the U.S. government reacted to the protest made by Canada through its embassy in Washington?

• (1440)

[*English*]

Hon. Roy MacLaren (Minister for International Trade, Lib.): Mr. Speaker, as I indicated to the House yesterday, we have raised this issue with the United States trade representative. We did so last week and we have done so more formally with the State Department. Our protests have been duly noted, but the response has been generally that the proposed measure has no chance of passing through the U.S. Congress.

Indeed it was only today that U.S. Senator Gramm of Texas said the proposal was as dead as Elvis Presley.

Some hon. members: He is alive, Roy.

The Speaker: It is always easier for me if I can see the person's face when the response is over.

[*Translation*]

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, I think the Governor General's cocktail party has gone to some people's heads.

However, I would like the minister to get up again and tell us what retaliatory measures he intends to take if the U.S. government insists on imposing a tax which would affect Canadians crossing the border? I want the minister to answer like a man.

[*English*]

Hon. Roy MacLaren (Minister for International Trade, Lib.): Mr. Speaker, the question is hypothetical to a degree.

We do not anticipate that this tax will be imposed. If it were to be, there may be measures we can take to respond to such an action on the part of the United States government.

I would say again to the member opposite that it is our impression it is most unlikely that proposed tax will be applied.

RESEARCH GRANTS

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, someone over here said that we should research our questions a little more. I have a long disgusting list of Liberal research grants at my disposal.

My question is for the Minister of Finance who is making great sport of assuring the Canadian people in foreign money markets that his government is serious about fiscal responsibility.

Is he aware that the Ministry of Industry recently approved a grant of $33,800 for the study of major league baseball in Detroit: "The Detroit Tigers, 1945 to 1992"? Can he explain to beleaguered taxpayers how spending their money like this is more important than lowering taxes?

Hon. Jon Gerrard (Secretary of State (Science, Research and Development), Lib.): Mr. Speaker, I believe the hon. member is referring to grants under the Social Sciences and Humanities Research Council, an independent arm's length body that has done a great service to university researchers and has provided a very important foundation for knowledge in the country.

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, have we changed finance ministers in this government?

Perhaps the question was not fair to the finance minister so I will give him another opportunity to explain it. If he feels it is too tough, perhaps he could explain the $13,000 grant given by the Ministry of Industry to study "Yankee Seamen: A Mariners' History of Massachusetts".

• (1445)

Will this be useful to Canadian industry or is the government researching what happened the last time the people revolted against unfair taxation in Boston harbour?

Hon. Jon Gerrard (Secretary of State (Science, Research and Development), Lib.): Mr. Speaker, I would like to reiterate. The Reform Party has singled out individual components of what has been an extraordinary effort over a long period of time for the culture of this country supporting efforts in the universities, supporting the development of knowledge which has made a major contribution to the economy and to the well–being of Canadians.

* * *

[*Translation*]

STATUS OF WOMEN

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, my question is directed to the Minister of Finance.

According to persistent rumours, the next budget will reduce government funding for women's groups, which is causing concern among many women's groups, including the Fédération des femmes du Québec.

Does the Minister of Finance intend to continue the policy of the previous federal government by once again reducing government funding for community agencies that help women?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, as I said repeatedly, I do not intend to release the contents of the budget, in this House or elsewhere, before the appointed time.

However, I can assure the hon. member that the next budget will be very fair and that we are fully aware of the need to deal fairly with women's needs.

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, I would nevertheless like to warn the minister about the impact of such cuts.

Does the Minister of Finance realize that by cutting funding to these groups he will put their survival in jeopardy, when these agencies play a unique role in promoting women's rights and improving their living conditions?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I can inform the hon. member that yes, we do realize that. We made that clear in the last budget, and we will do so again in the next one.

* * *

[*English*]

WHITE PAPER ON FINANCIAL INSTITUTIONS

Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.): Mr. Speaker, yesterday some Liberal colleagues and I talked about the future of the white paper on financial institutions.

I wonder if the secretary of state could give us an idea of when this paper will be released. This was extremely important for many people in my community who have a great interest in this particular issue.

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, I would like to thank the hon. member for her question.

I will be tabling a set of proposals, a white paper, on extending the safety and security of Canada's financial institutions. I will be doing so tomorrow.

The proposal is the result of some major consultations with the Department of Finance and others. On tabling the proposals I will be asking Canadians, those institutions that are affected and

Canadians generally, for submissions to the Department of Finance on that white paper.

* * *

TAXATION

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, this government still refuses to rule out tax increases in the upcoming budget. This should come as no surprise considering the Liberal's spending habits. For example, the minister of national decadence has had his Toronto office—

The Speaker: Order. I would encourage all hon. members to address each other with decorum. I would ask the hon. member to withdraw the word decadence.

Mr. Harris: Mr. Speaker, I am sorry the spending habits of the Liberals influenced my speaking. I withdraw that comment.

• (1450)

Mr. Speaker, $500,000 spent to refurbish the offices in Toronto, subsidization for posh houses for military brass and paying for their golf vacations in Florida. The minister of furnishings and oceans, not to be outdone, has spent millions of dollars on new equipment for his department and tens of thousands of dollars for his own office.

How on earth can the Prime Minister expect Canadians to cough up more tax dollars? Does he believe, as the hon. member from Broadview—Greenwood believes, that Canadians will simply roll over and pay?

The Speaker: The hon. member for Bourassa.

* * *

[*Translation*]

IMMIGRATION

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, my question is for the Minister of Citizenship and Immigration. Despite interventions by a number of women's rights groups, the minister intends to have a refugee from Trinidad and Tobago, who is the victim of spousal abuse, deported on Friday. She was divorced in 1991 after being beaten by her former husband, who has returned to Quebec on a special ministerial permit.

Does the minister intend to intervene by stopping the deportation of Taramatie Ramsubhag and her three children cancelled?

[*English*]

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I wish to thank the hon. member for his question and point out to him and his colleagues in the House that the individual in question, although it is difficult to talk about the facts of an individual case, has had two refugee hearings. Both of those hearings turned out negative. Her removal, as a consequence of those negative hearings, was delayed so that the gender persecution guidelines—the only country in the world to have such guidelines—could be applied, were applied and those guidelines were negative.

I want to say to the hon. member—and I think he ought to be fair—that the system was completely fulsome and fair with this individual. If there is any new information that was not brought to light in three previous hearings I would urge the hon. member to bring the information to my attention so that it can be quickly considered.

[*Translation*]

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, since I am not satisfied with the minister's response, I now address the Deputy Prime Minister.

Does she intend to make representations to her colleague in immigration, since she was personally involved in 1993 in blocking the deportation of a group of 14 immigrant women, including Mrs. Ramsubhag, who were victims of spousal abuse?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, we took measures in 1993. We are the only country in the world with an Immigration Act that contains guidelines on the institution of proceedings in the case of sexual discrimination. We promised this in 1993 and we delivered.

We are the only country in the world to recognize it. Some countries are discriminatory. These guidelines are to enable eligible women to obtain refugee status.

* * *

[*English*]

FARM CREDIT CORPORATION

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, during the winter break the Minister of Agriculture and Agri-Food reached way down into the Liberal hack bag in order to find an appointee for the board of the Farm Credit Corporation. Joan Meyer, a long time constituency backroomer, was campaign manager for failed Liberal candidate Rob Heindrichs and is married to Liberal party contributor and failed provincial candidate Don Meyer.

What qualifications, apart from her unimpeachable Liberal party credentials, does Mrs. Meyer have for this appointment?

The Speaker: My colleagues, I would ask you to consider the nature of the questions. Perhaps they might better be answered and more specifically answered on the Order Paper when we get down to specifics.

• (1455)

I ask you to consider that when framing your questions. If the minister of agriculture wishes to address himself to the question I will permit it.

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.): Mr. Speaker, I would like to address the question.

The person named by the hon. member is a very effective farm manager. She is also a business manager in her home community of Swift Current, operating a small business. She is heavily involved in a variety of community organizations, including providing assistance with respect to their financial matters. She is a new member of the board of directors, consistent with my policy and that of this government of enhancing gender balance on all government boards and agencies. I want women involved in the Farm Credit Corporation.

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, Brian Mulroney could not have answered it better.

Does the minister not realize that he does not enjoy the confidence of western Canadians and that appointments of this nature just further erode that confidence?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.): Mr. Speaker, when it came time to make the appointment of Mrs. Meyer and others, I had the opportunity to consult with a broad variety of people across the country, including senior representatives of farm organizations. I indicated who I had in mind to appoint. The recommendations I was about to make were very well received by the farm organizations.

I suggest that if the hon. member wants to put his credibility on the line on who is the most popular in Swift Current—Maple Creek—Assiniboia, I will take him on any day.

* * *

TAXATION

Mr. Sarkis Assadourian (Don Valley North, Lib.): Mr. Speaker, I have a very good question, unlike the members on the other side.

My question is addressed to the Minister of National Revenue. Canadians are made to believe by the Reform Party that their income tax goes only toward the federal government because there is no deduction shown for provincial taxes on paycheques.

In the case of Ontario the provincial tax box is blank. However, I believe this is misleading. What action can the minister take to make sure Canadians know which government is really getting their money and by how much?

Hon. David Anderson (Minister of National Revenue, Lib.): Mr. Speaker, the member has raised an important point and I thank him for it.

The design of the form is ambiguous in certain respects. In Quebec, which administers its own individual taxes, the amount is shown in a separate box on the form but in the other provinces and territories, which harmonize with the federal government, the taxes collected are shown as a single lump sum.

I can assure him that this process is the most administratively efficient. It does lead to some misunderstanding and there is no intention to mislead Canadians concerning the amount of provincial tax paid.

We will take his representation and I will have the department look at it with a view to redesigning the form so that we can deal with this confusion that does exist with respect to which level of government receives the taxes individual taxpayers pay.

* * *

ROYAL CANADIAN MOUNTED POLICE

Mr. Svend J. Robinson (Burnaby—Kingsway, N.D.P): Mr. Speaker, my question is for the Solicitor General.

Yesterday over 500 members of the RCMP marched for the first time ever on Parliament Hill to denounce the attempt of this government to deny them collective bargaining rights and to punish them for even talking about collective bargaining.

In view of the fact that this bill was condemned yesterday by the Liberal chair of the justice committee who said the bill was slid by the Liberal caucus and is an attack on the civil rights of RCMP members, how can the minister continue to defend this dictatorial, jackboot approach to dedicated members of the RCMP?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, while the chair of the justice committee can speak for himself, I understand that he feels his comments were not completely and fully reported by the press. I would suggest that my hon. friend take that into account.

Also, there are 15,000 uniformed members of the RCMP. They have had their own labour relations system since 1975. They elect representatives to work on their behalf full time to protect their interests vis–à–vis management. I ask the hon. member to take that into account as well.

• (1500)

The study of Bill C–58 is beginning this afternoon in the appropriate committee. I think at that time it will be confirmed that the bill simply confirms the basic position with respect to the management of the RCMP. It does not add to the powers of the commissioner and it does not take anything away from

members of the force. That is why the House gave it second reading.

I commend it to the committee and to the House. It is designed to protect and enhance the position of the force as the prime policing organization in Canada and perhaps in the world.

* * *

PRESENCE IN THE GALLERY

The Speaker: Colleagues, I would like to call your attention to the presence in the gallery of four very distinguished visitors to our House today.

I would like to introduce to you the Hon. Henry N.R. Jackman, Lieutenant–Governor of Ontario.

Some hon. members: Hear, hear.

The Speaker: Also, I would like to introduce to you the Hon. Ed Tchorzewski, Deputy Premier of Saskatchewan.

Some hon. members: Hear, hear.

The Speaker: As well, I introduce to you the Hon. Glyne Murray, Minister of State in the Prime Minister's Office of Barbados.

Some hon. members: Hear, hear.

[*Translation*]

The Speaker: Dear colleagues, I would also like to acknowledge the presence in our gallery of Antonine Maillet, the distinguished author from New Brunswick and a source of great pride for Canada.

Some hon. members: Hear, hear.

[*English*]

The Speaker: I have a point of privilege and three points of order which I would like to hear.

* * *

PRIVILEGE

COMMENTS IN QUESTION PERIOD

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, I raised a question of privilege on November 2, 1994 regarding an incident that arose from question period on November 1, 1994.

As you are aware, Mr. Speaker, the Deputy Prime Minister quoted from a letter I wrote to the Minister of Canadian Heritage regarding a concern of one of my constituents. This was done without my prior knowledge or permission or the prior knowledge or permission of my constituent.

At that time the Deputy Prime Minister stood in the House and argued that the letter was public domain. It was on this argument that the matter was dropped.

Since then I have received a copy of a letter from the CRTC to my constituent which was in response to my letter. In the letter from the CRTC the manager of correspondence and complaints division writes: "In accordance with your rights and the CRTC's obligations under the Privacy Act, unless you advise the commission otherwise, within three weeks of the date of this letter it will follow the usual practice of placing a copy of all correspondence related to your complaint on the licensee's publicly accessible file".

Clearly the CRTC regards the correspondence relating to my constituent's complaint as private as defined in the Privacy Act.

The letter from the CRTC is dated December 13, 1994. Considering the three–week requirement before making the correspondence public, my letter to the minister was not a public document until January 3, 1995.

The Deputy Prime Minister quoted from my letter relating to my constituent's complaint on November 1, 1994, two months before the letter was deemed a public document.

• (1505)

In light of this new information, Mr. Speaker, I ask that you reconsider the matter. If in your deliberations of whether what I raise today constitutes a prima facie question of privilege, I ask that you consider the following.

By making my private letter available to the Deputy Prime Minister, the Minister of Canadian Heritage breached confidentiality. In so doing he interfered with my ability to function as a member of Parliament by calling into question whether issues on which constituents asked my assistance will be made public.

Mr. Speaker, I ask that you find this to be a prima facie question of privilege. If you do so find, as is the usual practice of the House, as described in Beauchesne's sixth edition, citation 118, I will move that this question of privilege be referred to the Standing Committee on Procedure and House Affairs.

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, there are two points for the Chair to consider. I submit this does not constitute a valid point of privilege.

The allegation is that there was a breach of confidentiality by the CRTC in giving information to the Deputy Prime Minister and that this may have been a violation. This is not acknowledged by our side at all. Even if it was, it would constitute a dispute in law on whether that law was breached. It is not something that the Speaker usually rules on. The Speaker has made the point on several occasions in the past that his role is not to discuss whether an issue is legal or otherwise but only whether the privileges of members of the House have been violated.

Finally, I submit to you, Mr. Speaker, that if the member has such a complaint with the CRTC he should file an appeal with the Privacy Commissioner and indicate in his appeal that he believes, if such is the case, that the privacy of his constituent has been denied.

In either case, this is not a matter for the House to deal with.

The Speaker: My colleagues, I read some place over the holidays that I usually take some time to deliberate.

The hon. member did raise this point in November. At that time I invited him to come back with new information if he had it. I wonder if the House would again extend to me its patience. If necessary I will come back to the House on this matter of privilege.

* * *

POINTS OF ORDER

STATEMENT UNDER STANDING ORDER 31

Mr. Jack Frazer (Saanich–Gulf Islands, Ref.): Mr. Speaker, I rise on a point of order in accordance with Beauchesne's sixth edition, page 111, citation 374. In a Standing Order 31 statement yesterday the member for Brant attributed to me comments which I assume were taken from a media report. The media report had taken me out of context and completely misrepresented my position.

It is one thing to have erroneous comments in the media, but it is quite another to have it read into the official record of the House of Commons. I respectfully request that the reference to me in that statement be withdrawn.

The Speaker: The hon. member gave me notice that he was going to raise a point of order. I would like to review not only the "blues" but also the television tapes so I can ascertain precisely what was said and in what context. I will return to the House if it is necessary.

[*Translation*]

ORAL QUESTION PERIOD

Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ): Mr. Speaker, you refused a question from the member for Saint–Hubert during question period. This question pertained to a matter which I will state, and I would then ask you why you refused it. This question dealt in part with appointments made by the government, thus pertaining to the role of government, and secondly, with the possible reasons for these appointments, pertaining therefore to the ethics of this government and of this Parliament. The Prime Minister and Deputy Prime Minister alike are to serve as guardians on matters of ethics, as was emphasized at the very beginning of this session.

• (1510)

So we are curious to know why this question was refused since, it would seem, such appointments and ethics are issues of government.

The Speaker: May I remind the hon. member that the Speaker does not normally have to state his reason for refusing a question, but I may say that it seemed to me at that moment, as I indicated, that this question did not pertain to the specific responsibilities of this minister of the government. I made that decision in good faith and I hope you will accept it as such.

Mr. Duceppe: Mr. Speaker, would it be possible for us to meet so you might explain to us—

The Speaker: Certainly. If the hon. member or the hon. member who asked the question would like to discuss it with me, I will be pleased to meet with them in my chambers.

ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

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

* * *

[*English*]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to present the 58th report of the Standing Committee on Procedure and House Affairs regarding the membership of the Standing Committee on Government Operations.

If the House gives its consent, I intend to move concurrence in the 58th report later this day.

FISHERIES AND OCEANS

Mr. Ron MacDonald (Dartmouth, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the second report of the Standing Committee on Fisheries and Oceans in relation to the Freshwater Fish Marketing Corporation.

The committee requests a response from the government pursuant to Standing Order 109. I have a very short comment.

The committee travelled to many points in western Canada including Edmonton, Hay River as well as places like Garden Hill. We heard from over 100 witnesses on this very important issue.

The committee report is an attempt to strike a balance between the conflicting needs of those who are served by the Freshwater Fish Marketing Corporation, in order to assure those who feel that their interests are not being best served. They actually can aspire to success and those who are successful can continue to be so.

It is with a great deal of pleasure that I make this report from the fisheries committee to Parliament.

[*Translation*]

Mr. Benoît Tremblay (Rosemont, BQ): Mr. Speaker, allow me to mention that the hon. member for Gaspé, who is vice–chairman of the fisheries committee, was present each time the committee sat, went to all of the hearings in communities out west and was very active in the drafting of the report.

Since he is absent today because he is a member of the important committee on the draft bill on Quebec's sovereignty, I will present the Bloc Quebecois' dissenting opinion. Overall, the Bloc Quebecois agrees with the committee's report and agrees that responsibility for processing and marketing freshwater fish should be transferred to the provinces.

However, we have a problem with the conditions of the transfer. Since the committee recommends that responsibility be transferred, we think that now is not the time to change the rules on marketing freshwater fish, before even consulting the First Nations, the provinces and the territories which will be affected.

• (1515)

Therefore, given the difficulties fishermen in remote areas are experiencing, the Bloc Quebecois recommends that, at the first possible opportunity, the federal government jointly study with the provinces and the territories the possibility of granting special vending permits to remote communities throughout the transition period.

FINANCE

Mr. Jim Peterson (Willowdale, Lib.): Mr. Speaker, I have the honour to present the eleventh report of the Standing Committee on Finance, a report concerning Bill C–59, an act to amend the Income Tax Act and the Income Tax Application Rules, in both official languages. We will table it with two amendments.

I wish to thank all members of the committee for their hard work and co–operation.

SWEARING IN OF HIS EXCELLENCY THE GOVERNOR GENERAL

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, with the unanimous consent of the House and in accordance with custom, I move, seconded by the hon. member for Laurier—Sainte–Marie, that the speech of His Excellency the Governor General, the Right Hon. Roméo LeBlanc, together with the address of welcome made by the Prime Minister in the Senate Chamber on February 8, 1995, be printed an appendix to the official report of debates of the House of Commons, and form part of the permanent record of this Parliament.

(Motion agreed to.)

* * *

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, with leave of the House, I move, seconded by the hon. member for Laurier—Sainte–Marie, that the 58th report of the Standing Committee on Procedure and House Affairs, laid upon the Table today, be concurred in.

(Motion agreed to.)

* * *

[*English*]

DIVISION NO. 146

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I think you would find unanimous consent pursuant to a conversation in this House on February 6 for the following motion:

> That the *Hansard* and the Journals of the House of Commons be corrected to reflect that on December 13 on Bill C–226 the hon. member for Winnipeg North did vote on that bill and voted yea on the motion in question.

(Motion agreed to.)

[*Editor's Note: Revised Division No. 146 is as follows:*]

(*Division No. 146*)

YEAS

Members

Abbott	Ablonczy
Adams	Althouse
Anawak	Arseneault
Asselin	Axworthy (Saskatoon—Clark's Crossing
Baker	Bakopanos
Beaumier	Benoit
Bernier (Beauce)	Bertrand
Bethel	Bhaduria
Blaikie	Bodnar
Bonin	Boudria
Breitkreuz (Yellowhead)	Bridgman
Brown (Calgary Southeast)	Bryden
Bélair	Calder
Cannis	Chamberlain
Chatters	Collins

Comuzzi
Crawford
Cummins
Duncan
English
Finlay
Forseth
Gaffney
Gilmour
Grey (Beaver River)
Hanger
Harper (Calgary West)
Harris
Hayes
Hill (Macleod)
Hoeppner
Hubbard
Iftody
Jennings
Lastewka
Lee
MacDonald
Maloney
Mayfield
McGuire
McLaughlin
McWhinney
Mills (Broadview—Greenwood)
Mitchell
Murray
Nunziata
O'Reilly
Parrish
Penson
Phinney
Pillitteri
Reed
Richardson
Ringma
Scott (Skeena)
Silye
Solberg
Speaker
St. Denis
Stinson
Taylor
Thompson
Ur
Vanclief
Volpe
Wayne
White (Fraser Valley West)
Wood
Zed—137

Cowling
Culbert
de Jong
Easter
Epp
Fontana
Frazer
Gallaway
Gouk
Grubel
Harb
Harper (Simcoe Centre)
Hart
Hermanson
Hill (Prince George—Peace River)
Hopkins
Ianno
Jackson
Keyes
Lavigne (Verdun—Saint-Paul)
Loney
Malhi
Manning
McClelland (Edmonton Southwest)
McKinnon
McTeague
Meredith
Mills (Red Deer)
Morrison
Nault
O'Brien
Pagtakhan
Payne
Peric
Pickard (Essex—Kent)
Ramsay
Regan
Rideout
Schmidt
Serré
Simmons
Solomon
Speller
Steckle
Strahl
Terrana
Torsney
Valeri
Verran
Wappel
Wells
Williams
Young

NAYS

Members

Allmand
Assad
Barnes
Bellemare
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Brien
Brushett
Caccia
Canuel
Catterall
Chrétien (Frontenac)
Dalphond-Guiral
Debien
Deshaies
Dhaliwal
Dromisky
Duhamel

Anderson
Axworthy (Winnipeg South Centre)
Bellehumeur
Berger
Bernier (Gaspé)
Blondin-Andrew
Brown (Oakville—Milton)
Bélisle
Campbell
Caron
Chan
Copps
Daviault
de Savoye
DeVillers
Discepola
Duceppe
Dumas

Dupuy
Fewchuk
Finestone
Fry
Gagnon (Québec)
Gerrard
Godin
Grose
Guimond
Hickey
Jacob
Knutson
Landry
Laurin
Lebel
Leroux (Richmond—Wolfe)
Lincoln
MacAulay
Manley
Marchi
Martin (LaSalle—Émard)
McLellan (Edmonton Northwest)
Milliken
Nunez
Patry
Peterson
Pomerleau
Rock
Shepherd
St-Laurent
Stewart (Northumberland)
Telegdi
Tobin
Venne—103

Eggleton
Fillion
Flis
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gauthier (Roberval)
Godfrey
Graham
Guay
Harvard
Irwin
Kirkby
Kraft Sloan
Langlois
Lavigne (Beauharnois—Salaberry)
Leblanc (Longueuil)
Leroux (Shefford)
Loubier
MacLaren (Etobicoke North)
Marchand
Marleau
Massé
Mercier
Murphy
Paré
Peters
Picard (Drummond)
Rocheleau
Sauvageau
Sheridan
Stewart (Brant)
Szabo
Thalheimer
Tremblay (Rimouski—Témiscouata)

PAIRED MEMBERS

Members

Bachand
Bouchard
Collenette
Dubé
LeBlanc (Cape/Cap Breton Highlands—Canso)
Ménard

Bevilacqua
Cauchon
Crête
Lalonde
Minna
Robichaud

* * *

● (1520)

PETITIONS

VIOLENT OFFENDERS

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, I rise before this House on day three of this initiative to present petition number three, the second petition having been presented yesterday to the Clerk of the House.

These petitions are being presented on behalf of constituents who wish to halt the early release from prison of Robert Paul Thompson. April 11, 1995 is the date that has been set for his parole hearing.

The petitioners I represent are concerned about making our streets safer for our citizens. They are opposed to the current practice of early release of violent offenders prior to serving the full extent of their sentences.

The petitioners pray that our streets will be made safer for law-abiding citizens and the families of the victims of convicted murderers.

ASSISTED SUICIDE

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, pursuant to Standing Order 36, I am pleased to present four petitions from the riding of Prince George—Bulkley Valley all to do with the issue of euthanasia.

The petitioners pray that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no change to the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

The first petition is from the Mennonite Brethren, Nechako Community Church in Vanderhoof, B.C. The second petition dealing with euthanasia is also from Vanderhoof, B.C. The third and fourth petitions are from Prince George, B.C. I am pleased to say that I personally support all four of these petitions.

HUMAN RIGHTS

Mr. Sarkis Assadourian (Don Valley North, Lib.): Mr. Speaker, I have the pleasure of presenting two petitions from the citizens of Ottawa South, one of them signed by 55 members of the riding.

The first petition calls upon Parliament to amend the Canadian Human Rights Act to protect individuals from discrimination based on sexual orientation.

YOUNG OFFENDERS

Mr. Sarkis Assadourian (Don Valley North, Lib.): Mr. Speaker, the second petition signed by 63 members of the community asks that the names of young offenders be released. It also asks that the age limit for young offenders be lowered to allow the punishment to meet the severity of the crime.

HUMAN RIGHTS

Mr. Ovid L. Jackson (Bruce—Grey, Lib.): Mr. Speaker, I rise today to table four petitions on behalf of residents of my riding of Bruce—Grey.

Three of the petitions request that Parliament not amend the human rights code, the human rights act or the charter of rights and freedoms in any way that would indicate societal approval for same sex relationships or of homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase of sexual orientation.

ASSISTED SUICIDE

Mr. Ovid L. Jackson (Bruce—Grey, Lib.): Mr. Speaker, the last petition requests that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide, or active or passive euthanasia.

HUMAN RIGHTS

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, it is my pleasure today to rise in the House and present two separate petitions signed by my constituents from Red Deer.

With respect to the first petition the citizens express their disapproval to the government regarding any privileges extended to same sex relationships.

Therefore, the petitioners humbly pray and request that Parliament not amend the human rights code, the Canadian Human Rights Act or the charter of rights and freedoms in any way which would tend to indicate societal approval of same sex relationships and that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously.

ASSISTED SUICIDE

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, in the second petition the citizens express their sentiments and great concern with respect to the aiding or abetting of suicide or active or passive euthanasia.

GUN CONTROL

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, it is my honour to table three petitions from constituents of my riding.

The first petition was signed by 133 members of the Shaunavon Wildlife Association at their annual awards banquet. They state that gun control regulations in Canada are already excessive and without evident benefit. Therefore, they call upon us in Parliament to desist from passing additional restrictive legislation with respect to firearms or ammunition and to direct our attention to the apprehension and adequate punishment of those who criminally misuse firearms or other deadly weapons.

I heartily concur with that petition.

• (1525)

CANADIAN WHEAT BOARD

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, my second petition is also from constituents of mine, mostly in the Pangman, Truax and Ogema districts of Saskatchewan, requesting that the Canadian Wheat Board continue to be the sole marketing agency for export wheat and barley sales.

RIGHTS OF THE UNBORN

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, the final petition has 65 signatures of constituents mostly from the Swift Current area. They are petitioning the House to immediately amend the Criminal Code to extend protection to the unborn child, to extend the same protection enjoyed by born human beings to unborn human beings.

SENIOR CITIZENS

Mr. Peter Milliken (Kingston and the Islands, Lib.): Mr. Speaker, I am pleased to rise to present a petition signed by 351 residents of Kingston and the Islands. The petitioners call upon Parliament to reject any reduction of social benefits for seniors in any form, including deindexing or means testing.

GUN CONTROL

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, it is my honour to present a petition today, mostly signed by members of the Chilliwack Fish and Game Protective Association in my riding. They are concerned that the proposed gun legislation being put forward by the Minister of Justice is excessively bureaucratic, will be extremely costly and they believe will be totally ineffective.

They ask Parliament to reject this legislative proposal and to direct the Minister of Justice to reconsider this approach toward coercive gun control. I agree with their sentiments.

HUMAN RIGHTS

Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, I have before me three petitions today from people in the Peace River riding.

The first one deals with the inclusion of the undefined phrase of sexual orientation in the human rights code. The petitioners request that Parliament not amend the human rights code that would change in any way and indicate society's approval for same sex relationships or homosexuality.

The petitioners feel that the majority of Canadians believe the privileges which society accords to heterosexual couples should not be extended to same sex relationships. I agree with their petition.

ASSISTED SUICIDE

Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, I have two petitions which have been signed by 148 members in my riding dealing with the subject of doctor assisted suicide and euthanasia.

The petitioners request that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced and that the sanctity of human life be respected. The petitioners also ask that Parliament not repeal or amend section 241 of the Criminal Code in any way and thus protect the most vulnerable members of our community. I concur with them.

GRANDPARENTS RIGHTS

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I am pleased to present a petition on behalf of 93 Canadians.

The petitioners request that Parliament amend the Divorce Act to include a provision similar to article 611 of the Quebec Civil Code. It states that in no case may the father or mother without serious cause place obstacles between the child and the grandparents and that failing agreement between the parties the modalities of the relations are settled by the court.

They also request an amendment to the Divorce Act that would give a grandparent who is granted access to a child the right to make inquiries and to be given information as to the health, education and welfare of the child.

I am pleased to state that I am happy to endorse the contents of this petition.

HUMAN RIGHTS

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, I am pleased to present a petition today on behalf of the constituents of Simcoe Centre.

The petitioners request that the Government of Canada not amend the human rights act to include the phrase "sexual orientation". The petitioners are concerned about including the undefined phrase of sexual orientation in the Canadian Human Rights Act. Refusing to define the statement leaves interpretation open to the courts, a very dangerous precedent to set. Parliament has a responsibility to Canadians to ensure that legislation cannot be misinterpreted.

ASSISTED SUICIDE

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, I rise today to present a petition on behalf of Don Petersen and 27 others.

• (1530)

The petitioners draw the attention of the House to the following. Whereas the majority of Canadians are law-abiding citizens who respect the law; whereas the majority of Canadians respect the sanctity of human life; whereas the majority of Canadians believe that physicians in Canada should be working to save lives, not to end them, the petitioners pray that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

Mr. Svend J. Robinson (Burnaby—Kingsway, NDP): Mr. Speaker, I have the honour to present a number of petitions.

First, I have a petition which is signed by residents of a number of communities in British Columbia, including the Fraser Valley. The petitioners draw the attention of the House to the fact that the current Criminal Code denies people who are suffering from terminal or irreversible debilitating illness the right to choose freely and voluntarily to end their lives with the assistance of a physician.

They therefore call upon Parliament to amend the Criminal Code to ensure the right of all Canadians to die with dignity by allowing people with terminal or irreversible and debilitating illness the right to the assistance of a physician in ending their lives at a time of their choice, subject to strict safeguards to prevent abuse and to ensure that the decision is free, informed, competent and voluntary.

FYROM

Mr. Svend J. Robinson (Burnaby—Kingsway, NDP): Second, Mr. Speaker, I have the honour to present a petition which has been co–ordinated by the Hellenic Canadian Congress of Canada and signed by hundreds of Canadians of Hellenic origin and friends in British Columbia.

The petitioners note that Canada has strong and enduring economic, political and strategic ties with Greece, being its ally during every major conflict in this century. They comment on the historical evidence with respect to Macedonia having been a part of the Greek nation for over 25 centuries that Greece has no claim on the territory of Fyrom. They express concern about Fyrom hostile propaganda campaign against Greece and its hostile constitutional provisions.

Therefore the petitioners call upon Parliament to refrain from taking any action involving recognition of Fyrom until such time as its government renounces the use of the name Macedonia, removes objectionable language from its constitution, abandons the use of symbols implying territorial expansionism, ceases hostile propaganda against Greece and, finally, adheres fully to the norms and principles of the conference on security and co–operation in Europe.

THE SENATE

Mr. Svend J. Robinson (Burnaby—Kingsway, NDP): The third petition, Mr. Speaker, is a petition which calls upon the Parliament of Canada to recognize the absurd waste of money in the Senate of Canada.

It notes that the Senate is not elected and is not accountable to the people of Canada and therefore calls upon Parliament to end this wasteful use of taxpayers' money and abolish the Senate.

DEPARTMENT OF NATIONAL DEFENCE

Mr. Svend J. Robinson (Burnaby—Kingsway, NDP): My final petition, Mr. Speaker, is one which relates to the issue of the conversion of military jobs and facilities to civilian use. It is signed by a number of British Columbia residents and calls upon Parliament to use 1 per cent or more of the savings produced by the reduction in the Department of National Defence budget for the establishment of a national conversion resource centre and local conversion committees at each Canadian defence facility.

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, if Questions Nos. 96 and 126 could be made Orders for Returns, these returns would be tabled immediately.

The Deputy Speaker: Is it the pleasure of the House that Questions Nos. 96 and 126 be made Orders for Returns?

An hon. member: Agreed.

[*Text*]

Question No. 96—**Mr. Hill:**

For each of the last three years, (*a*) how many times were firearms used in the commission of criminal offences, (*b*) how many charges were laid under section 85 of the Criminal Code in each province, (*c*) how many of those charged with this offence were the legally registered owner of the firearm used in the commission or attempted commission of the crime, (*d*) how many charges were withdrawn, (*e*) how many charges resulted in acquittals, (*f*) how many charges resulted in convictions, and (*g*) what sentences were levied when convictions were registered?

(Return tabled.)

Question No. 126—**Mr. Simmons:**

What action is being taken by the Department of Finance and the Department of National Revenue to resolve the problems associated with the tax assistance for retirement savings TARS program, including the need to improve accountability for the costs and results of the TARS program; the need to review, revise and strengthen the current compliance strategy; and the need for both departments to improve the information provided to Parliament on TARS, as outlined by the Auditor General in his 1994 report?

(Return tabled.)

[*English*]

Mr. Milliken: Mr. Speaker, I ask that all remaining questions be allowed to stand.

The Deputy Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

* * *

MOTION FOR PAPERS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I would as that the Notice of Motion for the Production of Papers be allowed to stand.

The Deputy Speaker: Shall the Notice of Motion for the Production of Papers be allowed to stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

DEPARTMENT OF EXTERNAL AFFAIRS ACT

The House proceeded to the consideration of Bill C–47, an act to amend the Department of External Affairs Act and to make related amendments to other acts, as reported (with amendments) from the Standing Committee on Foreign Affairs and International Trade.

Hon. John Manley (for the Minister of Foreign Affairs, Lib.) moved that Bill C–47, an act to amend the Department of External Affairs Act and to make related amendments to other acts, as amended be concurred in at the report stage.

The Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to.)

• (1535)

[*English*]

Mr. Manley (for the Minister of Foreign Affairs, Lib.) moved that the bill be read the third time and passed.

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, I rise in this House today in support of Bill C–47, as amended by the Standing Committee on Foreign Affairs and International Trade.

I wish to take this opportunity to thank the official opposition and the Reform Party for their co–operation in improving the bill by suggesting certain technical changes. This is what I enjoy about Parliament, when parties can work together to improve a bill.

This bill contains housekeeping measures related to the Department of External Affairs Act. As I have previously stated in this Chamber, the government made a commitment to Canadians to change the name of the Department of External Affairs to the Department of Foreign Affairs and International Trade.

This change in name reflects the accomplishments and independence of Canadian foreign policy since World War II and Canada's maturity from a colony to a dominion, to a sovereign nation. It embraces the contemporary mandate and responsibilities of the department. The changes to the Department of External Affairs Act contained in this bill are not substantive. The bill changes the legal name of the department, titles of the minister and titles of senior officials.

Under this act the Secretary of State for External Affairs will become the Minister of Foreign Affairs. The title of the Minister for International Trade will remain unchanged. The title of a junior minister, the Minister of External Relations, will change to become the Minister for International Co–operation.

The official opposition had some concern with that, why have that position if it is not filled? The government would like the flexibility in case there is a need to appoint such a minister in the future.

The titles of senior officials, including the term under–secretary, will reflect the changes made to ministerial titles. For example, the Under–Secretary of State for External Affairs will become the Deputy Minister of Foreign Affairs.

The amendments passed by the committee following second reading of Bill C–47 were housekeeping measures as well. Clause 7, for example, was amended at the request of committee members of the official opposition to more clearly define the roles and responsibilities of the minister as they related to aid and trade. This was done.

Government members sponsored amendments to clauses 18 and 19 of the bill. Clause 18 of the bill was amended due to a technical error in the drafting of the bill. Clause 19 was amended so that it would concur with amendments that have been passed by Parliament to the French version of the Financial Administration Act.

Bill C–47 makes no substantive changes to the structure of the department. Rather, the change in name contained in this legislation reflects the current mandate of the department and the modernity of the Canadian statehood as reflected in the government's response to the special joint committee reviewing foreign policy that was tabled here yesterday in the House by the Minister of Foreign Affairs and also by the Minister for International Trade.

Both of these reports highlight how important foreign policy and this department are to Canadians. At home and abroad the employees of the Department of Foreign Affairs and International Trade serve and promote the interest and values that Canadians hold dear. Let us join together in congratulating them on many years of excellent service and their continuing commitment to Canada and Canadians.

The Governor General this morning at his installation complimented and praised our peacekeepers and the good they are doing and the positive image they are giving Canada around the world. I would like to take this opportunity to give the same recognition to our foreign service members who work abroad, all of them, whether it be in the external affairs section or international trade, because Canada does have an excellent image. Anywhere you travel around this globe or in speaking to the diplomatic corps here in Ottawa, you will hear nothing but the highest praises for Canada.

• (1540)

We all can take some credit. The people representing Canada around the globe especially deserve a lot of credit for the kind of

image building, for the spreading of Canadian values and interests around this globe. Hopefully through our example people around the globe will have better lifestyles.

[*Translation*]

Mr. Philippe Paré (Louis–Hébert, BQ): Mr. Speaker, we have before us today, in third reading, Bill C–47 to amend the Department of External Affairs Act. This is a bill of very little substance, containing almost nothing but changes in wording. It is not very innovative, and does not drastically change the way the Department of Foreign Affairs and International Trade operates.

All in all, this is a bill of little significance, which fits in nicely with the general level of the bills introduced by this government so far, since the opening of the session, in January 1994. Like the GATT agreements implementation bill, Bill C–47 makes cosmetic changes. It is therefore without much enthusiasm that the Bloc Quebecois supports this bill which, after all, rejuvenates somewhat the old Department of External Affairs Act by giving it a more modern name.

However, the government could have taken this opportunity to make changes that could have had the merit of eliminating grey areas and clarifying certain aspects related to the purpose of Canadian foreign policy. We would have liked the new legislation to streamline the department's corporate structure by removing a few positions that have remained vacant since the Liberals came to power and which cannot be all that crucial if they have not been filled. I am referring to the positions of minister responsible for international co–operation, associate deputy minister, and co–ordinator for international economic relations.

I believe the position of Minister for International Co–operation is totally useless, since the current government does not deign to attach enough importance to international development to include in a piece of legislation the mandate and the principles governing the responsible agency. Why appoint another minister, or leave that possibility open, if that minister is going to be accountable to another department? Canadians no longer have the means to afford illusions. The government does not want to abolish positions which are deemed useless since they are currently vacant. Is its insistence that these positions remain in the act due to the fact that it wants to preserve its authority to make discretionary appointments? Do the Liberals have friends looking for jobs?

It is true that, considering the social program reform which they want to impose to Canadians, the Liberals probably do not wish to see their friends out of work. On a more serious note, I will try to show that the government missed a great opportunity to clarify its objectives in the context of official development assistance.

The day after the government tabled its foreign policy statement, it is appropriate to remember that there are three key objectives that will guide the government's activities on the international scene: the promotion of jobs and prosperity; the protection of our security in a stable international framework; and the sharing of our values and our culture.

Among the values that the government wants to promote, the Minister of Foreign Affairs referred, in his speech here yesterday, to generosity, compassion and co–operation. As well, the majority report of the joint committee reviewing Canadian foreign policy proposes that the government set the reduction of poverty in the world as the first objective for official development assistance.

That being said, how are we to interpret clause 7 in Bill C–47, and I quote:

> The minister may develop and carry out programs related to his powers, duties and functions for the promotion of Canada's interest abroad, including the fostering of the expansion of Canada's international trade and commerce and the provision of assistance for developing countries.

In committee, the clause was split in two: A and B.

• (1545)

How can a foreign policy focus on promoting Canada's interests and at the same time claim that eliminating poverty is to be the goal of its official development assistance?

During the foreign policy review, many witnesses and experts stressed the need to clarify the objectives of official development assistance. The joint committee also reminded the government that it was not CIDA's role to promote trade. Unfortunately, clause 7 appears to maintain these inconsistencies. We would have liked to see another amendment to the existing legislation, specifically on international development. The official opposition in this House has already suggested that a specific legislative framework was needed for the Canadian International Development Agency. We believe that Bill C–47 could have provided for these changes. In fact, in our dissenting report on Canada's foreign policy review tabled last fall, we recommended such changes.

There would have been a number of advantages to adopting enabling legislation for CIDA. Separating Canadian official development assistance, once and for all, from any involvement in international trade is a prime example. In fact, the confusion today within the Department of Foreign Affairs about interests and objectives as they affect international development exists because there is no separation between trade and aid. The Auditor General made that clear in his latest report.

We certainly do not want to give the impression that it is wrong to promote Canada's trade relations. On the contrary. We too are aware of the fact that over 20 per cent of jobs in Canada are tied to our exports of goods and services. What we do not

agree with is the government's refusal to separate what should be separated, thus making official development assistance dependent on commercial interests. This is no doubt why the government made no commitment either in its policy on the gradual elimination of tied aid, despite the recommendation of the joint foreign policy review committee. The same recommendation was made by the development assistance committee of the OECD.

The official development assistance budget is suffering in all this confusion. Too many Canadian businesses are currently benefiting from CIDA funds that should go instead to international development, because of the ambiguity surrounding this issue. The priorities of the aid program simply cannot be linked to the objectives of Canada's trade policy. It is vital that CIDA be protected from the influence of the various departments it regularly deals with, often to the detriment of the aid itself.

CIDA's mandate should also have been clarified in a constituent act. However, we understand from the government's recent statement on Canadian foreign policy that such an act is not one of its objectives.

Yet the special joint committee responsible for reviewing Canadian foreign policy recommended, in response to pressure by Bloc Quebecois members of the committee, that Parliament pass a bill establishing the fundamental principles of development aid. It also recommended in its majority report that such development aid provided by the government be subject to regular review by committees of the House and of the Senate.

The response of the Canadian government was that, while the intention was noble and justified, the government did not intend to pass such a bill on the grounds that it would not necessarily serve the goals of aid and would reduce program flexibility. In other words, the government was of the opinion that legislation on development aid would be too restrictive.

By clearly establishing the goals of development aid and the mandate of the agency responsible for carrying out international cooperation programs, the government would evidently be forced to follow strict rules of conduct. It would probably no longer be possible to promote international trade via development programs or, at least, this would be somewhat awkward for a government which prides itself on being in charge of one of the most generous countries in the world.

• (1550)

Small gestures most often reveal the underlying agenda of a government, and, in this regard, clause 7 is quite revealing. Although the ministers of this government make speeches about eliminating poverty and reducing the gap between rich and poor countries, when bills are tabled in the House of Commons, other considerations always take precedence over Canadian and Quebecois values, even though the government claims it wants to promote them.

This comes as no surprise, considering that, in its February 1994 budget, the government cut the official development assistance budget, tightened unemployment insurance eligibility and forgot to address the inequities in the tax system that the official opposition had been pointing out for months.

It was with the same agenda that the government claimed to go ahead with social program reforms, while its real goal, which was finally announced by the Minister of Human Resources Development, was to cut the social program budget by $15 billion over 5 years.

Therefore, the government's method is the same whether it is dealing with domestic or foreign policy: it says one thing, but does another. Thus the meaning of the slogan of the foreign affairs committee's former chairman is becoming clearer: foreign policy reflects domestic policy and domestic policy reflects foreign policy.

In conclusion, the Bloc Quebecois criticizes the government for not having clarified in this bill where it is going with its aid programs for the poorest countries of the planet. Instead, it satisfied itself with simply changing the name of the Department of Foreign Affairs. Instead of checking into a spa to rejuvenate and revitalize, it preferred to slap on more make–up. We can only wait for the next attempt.

[*English*]

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, it is with pleasure and some degree of surprise that I rise in the House today to debate Bill C–47, an act to amend the Department of External Affairs Act.

I would like to tell the House why I am surprised to be speaking today. It is because I was not told until 4 p.m. yesterday that the bill would be up for debate. The government did not bother to tell our House leader's office until 3.30 p.m.

Is it another example of how the government wants to act in matters such as this one? It possibly handles the country like this as well. Even more surprising, Bill C–47 was not an upcoming government bill on the House of Commons Order Paper for Monday.

Only yesterday the Parliamentary Secretary to the Government House Leader attempted to lecture my esteemed Reform colleague from Peace River and myself on a point of order about how hard the government was working to give us advanced warning of upcoming events.

If less than a day is what the government considers to be plentiful warning time, I suppose the member for Kingston and the Islands was right. However, with the bill going into third reading the government has no real reason to spring it on us.

I would ask the government to give us an informal call in the future so that we have a fair chance to prepare ourselves. After all, if we cannot have serious, well prepared debates in Parliament, Canadians will not be getting the service they deserve.

Getting to the issue at hand, Bill C–47, the Reform Party will be supporting the bill. It modernizes the Department of Foreign Affairs. Although Bill C–47 will not bring about major changes in substance to the way the Department of Foreign Affairs is operated, it shows an evolution of the department to reflect the needs and values of Canadians in the 1990s.

I would like to highlight what I think Canadians expect from the Department of Foreign Affairs. Many people do not even realize it is of much importance to them. My constituents will ask why we are spending so much time working on that committee and in that area. I could ask them what they watch in the newscast at night, what their jobs are or what many of their jobs are related to. In my constituency we have a large petrochemical industry, almost 90 per cent of which goes to foreign areas. We have agriculture, a great deal of which goes to the United States and other places. When those matters are mentioned they realize the importance of foreign affairs in their everyday life.

• (1555)

As a result we have hopefully encouraged more interest in foreign affairs. At least now I am asked on occasion: "What is happening in foreign affairs?" The modernization the government is undergoing in Bill C–47 provides an opportunity to highlight the directions in which we think foreign affairs should go as the people of Canada are telling us from a grassroots level.

Canadians want to think of us as a middle power, as being in a middle power position. They want to be proud of Canada. In many cases we are a bit laid back when it comes to talking about how great our country really is. Only when they travel outside the country and talk to others about Canada do they realize what sort of country we have and what sort of profile we have. We need to use that profile to develop a far thinking foreign affairs policy to help us utilize not only opinions from outside but what we have going for us on the inside.

In yesterday's statement I was disappointed in not seeing emphasis being put on the use of more of our multicultural benefits, our people who are trained, who know, who have relatives and understand other countries. I was also disappointed that we did not make more use of our foreign students and Canadians we send to universities around the world. They are a great asset we do not keep track of and we do not utilize.

I hear on the streets that CIDA needs to become more accountable. Certainly people want a transparent agency. They are not prepared to hear about the terrible mistakes made in that agency or about the ridiculous projects that are funded such as the underwater breeding of water buffalo in Thailand. They do not particularly want to fund projects unless they see some value to them for the people they are trying to help.

There has to be accountability. There has to be a reporting mechanism to Parliament. There has to be a greater utilization of NGOs in that whole area. One of my colleagues will be talking about that later. We certainly need to target what we have to do. We cannot do everything for everybody, and we recognize that.

In looking at the bill, we should be concerned and asking questions about administration from the top. We should be asking if the minister really needs under–secretaries. Do we really need the deputy positions? At this point in our financial crisis we need to be asking: Should we not be cutting from the top instead of doing it the easy way by cutting from the bottom? Often we cut from the bottom up instead of from the top down. We should emphasize to the minister that we want it to be different in the Department of Foreign Affairs. We should be examining under–secretary and deputy positions long before we talk about cutting people in the field.

As far as world organization is concerned, I agree with the hon. member opposite who said that our foreign service is doing an excellent job. I have had the opportunity to visit a number of our foreign consulates and will continue to visit them. We have some great leadership out there and people who are doing the job for us. I will come back to that point in a minute. The world is now divided into three units. It consists of the EU, developing and working together, becoming a very important economic, political and in some cases military unit.

• (1600)

The second unit is the Asia–Pacific region. It started out with one tiger, then two. Now there are seven tigers that are really moving forward in the world. We must recognize that and learn how to deal with them.

The third unit is the Americas, which have been ignored by us, with the exception of the U.S., for a long time. Now we are starting to look at these countries, at Mexico and Central and South America. They become the third major unit of the world with which we will be dealing.

It is important that we put into place our role in the Americas. It is important that we become a leader. When talking to people in some countries, particularly in South America, they say: "We want Canada to be our mediator, to be between us and the elephant. You are used to sleeping beside that elephant and dealing with it. We want you to take a leadership role in helping us to know how to deal with the U.S." They are looking for us to

show leadership. At this point they are basically saying that they have not seen us take that role as strongly as we might.

I mentioned peacekeeping. That is a very important area and one in which Canada has a high profile. It is important that we thank all those peacekeepers for the fantastic ambassadors they are to the world. I believe we all agree on that. As well, we must recognize that we need to know where we are going and what we are doing when it comes to peacekeeping. We just cannot be everywhere. Therefore, we must develop criteria.

The old threat of the cold war is gone. Now we have a much more difficult threat to our security. We have all kinds of things like health problems, the AIDS epidemic and many other health problems that threaten our country.

We also have environmental problems. Countries like China are proposing to build coal generating plants which could affect the environment around the world. We need to be leaders in that area and show that leadership to other countries of the world.

Immigration, migration and refugees are also problems we have to deal with.

We are concerned that 80 per cent of trade is with the U.S. We realize we must diversify. Unfortunately, a great many people say: "Okay, I deal with the Americans. They speak the same language, they understand us and it is very easy". However when times get a little tough, companies start looking offshore for trading arrangements and then as soon as times get better in the U.S. they drop those connections and go back to the U.S. Industries must be encouraged to change.

I have had an opportunity over the last year and a half to meet a lot of different people. I recall some members here met with a Kuwaiti group of MPs. The one question we had from the Kuwaiti MPs was: why did Canada not get more contracts? Obviously we were there and we tried to do our share in that whole situation in Kuwait, but we did not get the contracts. We were there to do everything else but we did not get the business contracts for the rebuilding of the country. Why? There was one answer which was that we are not aggressive enough. We are too passive, too laid back. We do not push this country they way we need to.

I met with the ambassador to Chile and received much the same message: Why are you not more aggressive? Why do you not take more action?

This summer I was in London, Sweden and Paris and I asked the question: "How could we do more business? What more should we do?" I was told: "You need to become more aggressive". That is the message the world is giving us. As MPs we must then carry that message and certainly foreign affairs has to get that message out.

• (1605)

Foreign affairs is important to Canadians. It now represents a couple of million jobs in this country. It represents 30 per cent of our GDP. Therefore when we talk about its importance we should not have any trouble convincing anyone.

The new arrangements replacing GATT with the World Trade Organization will go a long way in helping us market our products. I really believe this will be a forward moving process for us as Canadians.

The expansion of NAFTA obviously is of significance, something that the Canadian government should greatly encourage. It should be part of any foreign affairs policy and one that should be greatly emphasized.

We cannot underestimate the importance of the Americans. They have largely been responsible for our becoming the seventh largest trading nation while we are only 31st in population. While Canadians strive to diversify their trade, we must continue to emphasize the importance of our relationship with the U.S. Therefore the trade aspect of foreign affairs is extremely important.

In the embassies I have visited I have found they now put more and more emphasis on the trade aspect. It must be encouraged and continued. We have to be a little careful as well because someone in France raised an interesting point with me. We have about $6 billion in trade with France and about $6 billion in trade with Korea. But 60 per cent of the trade with France is in sophisticated fine tuned instrumentation. With Korea about 95 per cent is raw materials.

Before we change the whole emphasis of foreign affairs and get rid of our European connections to go rushing to the new markets of South America and the Orient, we have to be a little careful and look at what we are selling. We will run out of raw materials. That is not where the jobs are. That is not the area we should be emphasizing. Trade is an important part of foreign affairs. The Canadian people expect it to be an important part.

We have mentioned other areas that we should discuss very briefly, certainly UN reform. The United Nations is 50 years old today. It is disappointing to look at the document we got yesterday to see a lack of any sort of forward thinking in terms of what we mean when we say that we are in favour of UN reform.

What do we mean? What are we going to do? How are we going to be leaders to change the UN? We can make many suggestions but the same terminology comes out of foreign affairs or any department of government. We must look at efficiency, accountability and effectiveness.

We hear the horror stories. People like Major–General MacKenzie talked about phoning the UN on a Friday afternoon. "We have the troops pinned down. What do we do?" He was told: "Call back on Monday". Then the system was reformed. They

put in a fax machine. We could then have written confirmation that he was in trouble. He still had to wait until Monday morning.

The United Nations needs to be reformed and it should be done from the top. We need some ideas. We need to start off. We need to force countries to pay their dues. I do not blame the Americans for not paying their dues because they are saying: "Get your act together and then we will pay our dues". We have to be in a position where we can be leaders in those reforms.

The UN needs an early warning system. My wife and I toured Rwanda and stayed in villages in 1985. We knew then a conflict was brewing and that the two tribes were having problems. We have had all kinds of peacekeepers and all kinds of NGOs tell us about the problems brewing but we did nothing. I applaud the government for mentioning in its statement yesterday that it needed to develop an early warning system. Then I noticed that the government totally forgot about the bad idea it had about the sort of UN force where we would lose our sovereignty. While that idea was floated it certainly died, fortunately for all of us.

• (1610)

We need to deal with international criminals. The people who commit these atrocious crimes need to know that they are going to be punished by the world. They need to know that the UN will deal with international criminals and that it will be much faster than our criminal justice system.

We need to have a whole administrative reorganization and we can be leaders there. Also, we need to examine our membership and we need to push for a much higher role in the United Nations.

As well, we should look at the reorganization of the whole Department of Foreign Affairs and, most important, our foreign missions. We are opening more and more of them but we need to examine the job they are doing. We need to set some criteria.

Last year I visited nine embassies and I asked them: "If you were on the foreign affairs committee what would you want to change?" Almost to the very last person and almost to the clerks they said: "We want a definite direction; leadership from the top; set an example and stop sending mixed messages. One day you are this way; the next day you are that way. We do not know what we are supposed to represent Canada as being because we are getting mixed messages from the top".

I am emphasizing leadership and that is what we should be getting out of the reform of Bill C–47. We should be coming up with major ideas for that leadership.

Again mentioning peacekeeping, criteria must be developed. It is so important. How long are the peacekeepers going to be there? What is it going to cost? What exactly are we trying to accomplish? We have a great many hot spots on the burner right now. Places like Burundi, Nigeria and the former Soviet Union, just to name a few, are potential hot spots where we may have to get involved. We need some very important planning.

The last couple of days we have heard a lot about grassroots public input. I get a little upset when I read in the reports that we have spent five days debating major foreign affairs issues. The problem is that we could have read the results or what was going to happen in the newspaper the day we were preparing our speeches. The decisions were released early. They came out at the United Nations. We had already confirmed we were going back to Bosnia but we were debating it.

As rookies we can probably take that, but I guess after we have been here a while we start saying: "Yes, we want consultation, but do not make up your mind until you hear it". That has to be the message that goes through when we start talking about reforming foreign affairs and the way it is handled. Listen to us. Do not make decisions beforehand.

I understand that in the next week—and we probably will not find out until the day before—we are going to be debating whether we should send our troops back to the former Yugoslavia. It would be nice to think that every member in the House could talk about that; could give their point of view on whether we should renew our return over there or has the government already decided? I hope that it has not.

When it comes to public input I go a bit further and look at the national assembly that we had, the group which met here. We invited 125 people. The only problem was that they were academics. They were the elite of the country. They were not the grassroots. They were all by invitation and it was pretty disappointing.

• (1615)

Why do we not use our 295 MPs to go out in their constituencies and talk to their people, give them some information and get the people's opinions? Do not just go to the elite and get that answer from them.

Canadians expect foreign affairs to be a leader, to be an honest broker for dispute resolution and effective multilateralism. We should be a respected and effective middle power. Canada can make a special contribution. Let us make sure that we do make that. Let us make sure that when we say we are modernizing the whole department we really mean that. Let us live within our means. Let us be proactive and effective in showing fiscal responsibility. In that role we can add a great deal.

In looking to the 21st century a lot of good things are going to happen. As we heard this morning in the swearing in ceremony, let us talk about some of the good things.

We in foreign affairs will have the advantage because Canada has such a good reputation. Let us use that. Let us play on that. Let us make the very best of that. Let us make Canadians start feeling better about themselves as well. We tend to be shy. We

tend to be apologetic. We do not tend to be as strong as we should in the area of foreign affairs.

I felt the committee report was excellent. We worked well together. I felt the information we gathered was of high quality. I felt the report process was successful.

However, I was disappointed yesterday because I saw things like we will some day try to achieve 0.7 of GDP. The reason I have problems with that is let us face it, today and for the foreseeable future we are probably going to go to 0.3. It is not even feasible that we can maintain 0.4 where we are approximately today. Why put in 0.7? That sends the wrong message to the NGOs. It sends the wrong message to foreign governments. It does not show leadership. I feel that is incorrect. That is a bad image and that is how we are going to tarnish that image of Canadians.

I feel as well totally ignoring the CIDA problem is at the peril of the government. People are saying cut off aid. We know that is wrong. We know that is not just. We know they do not really mean that. We have to explain it to them. What are the advantages of aid? What is the advantage of CIDA? Let us make sure that it is not just a government slush fund for the minister and Prime Minister when they travel abroad. I think that is a vital part of the selling job that should be done.

As far as culture is concerned we would really like to see business get involved in that. If it is really as useful as we say it is I am sure business will want to be involved.

The reform of the international monetary system and looking at the IMF is an area that was not touched. We have again a great opportunity to show leadership this year in Halifax in June when the G–7 meets to talk about the reform. I know that we are going to deal with that in the committee. I hope it will be looked at and thought about more clearly than our foreign affairs report was.

In conclusion, as I have said we are going to support this motion. We are supporting this bill because it is a modernization. We hope it will also go much further to really get into what Canadians are thinking and to really put forward a new approach going from this century into the next one. I am sure that will make Canada an even greater country than it is today.

• (1620)

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, it is a pleasure today to speak to Bill C–47, a bill to change the name of the Department of External Affairs to the Department of Foreign Affairs and International Trade.

We have no opposition to this bill at all and therefore no position to oppose it whatsoever. It does not change the resource allocation within it, nor any significant restructuring. However, as we broker no opposition to it, let me talk about some concerns I have about the department and let me give some hope and constructive suggestions we have to perhaps change its focus somewhat, making it an even better organization than it already is.

I preface what I am about to say by reaffirming what my colleague said, that we have only had a few hours to address this bill. We hope that in the future the government will give us more time to do that.

First and foremost, if we are to have a Department of Foreign Affairs and International Trade it must be one that lives within its means. Currently, as we know, the government is spending 25 per cent more than what it takes in. The department must, as all departments must, make an effective cut to its budget.

As I said before, the government is now spending over $40 billion more than what it takes in. If the department of foreign affairs were to make at least a 25 per cent cut, then we would have a department that would be able to live within its means.

The joint committee had an ideal opportunity to go ahead and do this. It could have given the Minister of Finance a hand by putting forth some constructive suggestions to do this. Unfortunately 20 out of the 60 recommendations that were put out asked for more money, if not explicitly then at least implicitly.

This does not make any sense whatsoever. It does the department and the people who worked very hard on the committee a grave injustice. I cannot emphasize this enough. I hope in the near future the department will take it upon itself to put forth the constructive cuts required to make it sustainable in the future.

I will not put forth criticisms without putting forth some constructive suggestions in some areas of budgetary cuts. One of the areas that our party has put forth is that bilateral government to government aid should be decreased or eliminated.

Unfortunately, when we go out in the field we see that a lot of the aid Canadians and our government give in good faith to help those people who need it the most tragically does not get there. I have seen foodstuffs given by the Canadian government being sold over the counter to various areas or being bargained for arms and ammunition. This is not where the Canadian government or people want this aid to go.

Another thing we have to do and which we did not do in the committee, although we listened to a lot of NGOs, is to determine which NGOs are doing a good job and which are not. Which are giving the money they are given to the people who need it the most and which are not? We need to determine criteria that can be applied to the NGOs to tell us which NGOs are doing a good job and determine ways in which we can

measure this in the future. This has never been done but it is something we must do in the future.

Another thing we have not done as a country and that no country has done is determine which international organizations we should and should not be members of. Currently we are a member of a vast number of international organizations, in many of which there is a lot of duplication.

If we are having difficulty in being a member of these organizations, so are other countries. No country in the world has taken the initiative to try to streamline these down. Canada has a unique opportunity to do this. We ought to go ahead and determine which organizations are duplicating themselves and which are not, making some constructive suggestions to the international community to determine where we can co–opt the functions of these organizations into one or fewer. It would save us money and would therefore save a lot of other people money.

Another thing we ought to, which this bill gives, is a method to streamline the Department of Foreign Affairs and International Trade. By changing the name perhaps we can use this as a stepping stone to amalgamate various areas within the ministry to save the taxpayers a significant amount of money.

Another area we need to address is one that I recently had some experience in, the Department of International Trade.

• (1625)

There are a number of exporters in this country who have spoken to me about the fact that they would like to be able to capitalize on international markets more effectively. They are not able to do this for a number of reasons.

One thing the Department of International Trade can do is inform Canadian exporters about places where our exporters can capitalize, where we have an expertise that other countries do not.

Currently the biggest problem is getting the information out in a timely fashion. As a result other countries can get contracts on the international stage that really should belong to Canadians. They are jobs that could be brought home, jobs that we can do as well or better than other countries.

I would ask that people in the department look for ways to tell our exporters in a timely fashion about opportunities that exist abroad that they can capitalize on for themselves and for Canadians.

One area that we have not used enough is our embassies. We can utilize our embassies internationally to be the eyes and arms for our exporters abroad. They are in the trenches and they can tell the department what is available to our exporters.

I will move on to a slightly different focus. If we stand back and look at the large threat that exists today we will see that the world is not a safer place in the post cold war era. Last year there were at least 120 conflicts in the world. Over 90 per cent of these conflicts were internal. Why is this so? There are a number of reasons. One essential reason is the burgeoning world population that has been out of control for decades.

From 1950 until the present, a short period, we doubled our population; a population that took from the beginning of time until 1950 to develop. In the next 25 years we will double that population again.

There are those who say this is not a problem, that we will find ways to deal with this. I would submit that right now we have no way to deal with it and there has been nothing in the recent past to prove otherwise.

Out of this expanding population will be an increasing conflict for limited resources. Out of that conflict will come a migration of people. We have seen recently on television the horrible genocide and carnage.

In the trenches all of the foreign aid and development that countries such as Canada and other principle countries put forth will go for nothing. We will wind up back at square one. It makes absolutely no sense whatsoever not to address this threat to security if we continue to give aid. It has to be addressed before our development needs are addressed.

Security not only involves the military aspect, which is what we have had over the last hundreds of years, but also security involving the environment, economic and resource management. This is the single most important threat not only to foreign security but also to our own. Many people in this country would argue who cares what happens half a world away, put a fence around them, let them kill each other. This has sometimes been said about Bosnia.

If we want to argue independent of humanitarian terms, argue on what affects us, let us say that what happens half a world away will one day wind up on our doorstep. These conflicts produce a number of things, a migration of people, a demand on our resources through international trade and also on defence. It also puts our people in harm's way, our defence personnel who have provided exemplary service in the past.

There is one way to deal with this in the near future. It is something that no country has ever taken the initiative to do, but I think Canada can, the aspect of preventive diplomacy. This country has a unique opportunity to go around the world and develop a consensus to try to address these conflicts before they blow up. Once they blow up we get into the very expensive aspect of peacekeeping and peacemaking and everything it entails. On the other hand preventive diplomacy is cheap by comparison.

• (1630)

Why Canada? As our new Governor General mentioned this morning in a very eloquent speech which I thought was one of the few speeches that brought us together and concentrated on our similarities rather than on our differences, we are one of the few countries in the world that has managed to bring together a truly historic mosaic of people in a peaceful setting.

That reputation should not be undersold by anybody in the House because it is internationally renowned. We may not realize it, but people in countries around the world look to Canada as the example of a country that has managed to merge different people from different walks of life, different colours, different religions and different ethnic groups into a peaceful and relatively harmonious mosiac.

We can and we must take the initiative to act as the honest broker to bring together NGOs, academics, politicians, the United Nations and international financial institutions to determine a series of reproducible measures that we as the international community will enforce when conflicts are about to blow up. This is fundamental to international security in the future and, as I said before, cost effective.

Finally I will concentrate on a few specific issues I have had recent experience in and, as I have seen before, cause a great deal of tragedy. One is the trafficking of small arms. People may not think it is much of a problem, but I was recently in a third world country where the destabilizing effect of small arms is dramatic. I was in areas where an AK–47 could be bought for as little as $20. In these areas resources are depleted, populations are growing and small arms are proliferating. The result is a pot ready to boil over and an area that is very unstable.

We must act as a world leader to develop an international consensus on how we are to go about severely restricting the production, sale and movement of small arms. Canada should act as a leader in banning two things: first, mines and, second, anti–personnel devices. These weapons have absolutely no place in warfare. They are meant merely to destabilize a civilian population and are meant to kill civilians. I have seen it with my own eyes.

Unfortunately, when a so–called war is over, because of the proliferation of the aforementioned a country is unable to get on its feet for decades. The cost to the international community is in the billions of dollars. It is one of those things we can pay now or pay later. I would submit it is a lot better to get involved in this early than late.

I hope the Department of Foreign Affairs and the Department of International Trade will take these suggestions into consideration in their future endeavours. I know people on this side of the House are prepared to work toward furthering those suggestions.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I would like to ask a question of the hon. member who just spoke. Because of his experience in being abroad and seeing some of the firsthand work our money is doing around the world, I wonder whether he has any insights to share with respect to how we can produce some long term results in some of the countries in which we are putting money.

What could we do that would finally make these people independent and contributing members to the world society instead of drawing from it?

Mr. Martin (Esquimalt—Juan de Fuca): Mr. Speaker, I thank the hon. member for his question. If I had that answer it would certainly be wonderful.

There are a few things, I would submit in my humble experience, we could do. One would be to address the international security aspects. We cannot get a country back on its feet until the security aspects are dealt with. As I said before, that involves freeing the country of mines and putting in place a strong judicial system, as well as the necessary foundations of democracy to have a populace with confidence in its government. We are a democratic country, one that is well respected for our democratic institutions. We can and have done a lot to help these democratic institutions.

• (1635)

Another fundamental aspect is how we channel our aid. I think we will find a lot of agreement in the international community that international aid must go through NGOs as opposed to through governments. Much aid in the past has gone directly into the hands of foreign governments and in turn has become parts of personal bank accounts in Switzerland and other countries, or has been used to build people's personal empires through the purchase of arms and bribery. That is completely wrong and is not where our international moneys were meant to go.

As I said before in my speech, we need to look at the NGOs to determine which ones are doing a good job and which are not. We have to determine a set of criteria. We have to determine an end point that we want to address through committee reports. That is something the government agrees on. We wish to help the poorest of the poor. We can do that but we have to determine which NGOs are doing a good job and which are not. Once we do so, we can determine where we are proportioning our money.

It is an interesting and an exciting project, one that I hope the government through the Department of Foreign Affairs and the Department of International Trade will take up. If we can do that, we can effectively channel the aid money Canadians give to other countries.

I will finish by saying that many people in my riding and other ridings ask: "Why are you giving money to people half a world away?" If we want to argue purely on selfish grounds, the economic impact in a positive way to our exporters is very great because we are generous on the international stage. We take part in international organizations in an effective fashion and we bring forth to the international community some sense of peace, stability and sensibility.

If we continue to do so we will have on the international stage a clout far greater than what our population would normally give us.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, I have a comment and then a fairly quick question.

One point is on the saleability of foreign assistance and why it is necessary. The member struck on a very important point. It is becoming increasingly difficult to convince people that we should be spending increasing amounts of money on foreign assistance. Yet, for some of the reasons the member mentioned, it is still important.

Could the member comment in general terms on the advisability of increasing spending on primary education in the third world as part of our aid package as opposed to university education?

One report I read mentioned that basic education in the third world decreases the number of children in a family from an average of four and a half or five to three or three and a half. The reason is that a basic education allows a person to get a job, to understand basic birth control methods, to expand their horizons in business and so on.

As opposed to a very costly university education that we support around the world, does the member think we should emphasize or spend more of our money on the basic education aspect?

Mr. Martin (Esquimalt—Juan de Fuca): Mr. Speaker, my hon. colleague hit on a very important point. We do get more bang for our buck by investing in primary education versus expensive post–secondary education.

We cannot have a stable country without a stable populous. We cannot have a stable populous unless the populous has a vested economic and social interest in the country in which it lives.

One primary way of doing it is to enable the people to have the rudiments of an education: give them some literacy and give them the ability to take care of themselves. If we give them the knowledge to take care of themselves we have helped to create a sustainable situation.

• (1640)

It is also more difficult for individuals to sway a population for their own illicit gain if the population is educated. It is easier to reason with a population that has the rudiments of education than one that is living in a primitive state of affairs. That has borne itself out time and time again.

As my hon. colleague just mentioned, one of the great benefits of providing primary education is that we see a population reduction. We see a reduction in the number of babies born. It gives women control of reproduction, which is fundamental in enabling them and their families to get control of their economic and social lives.

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

(Motion agreed to, bill read the third time and passed.)

[*Translation*]

The Deputy Speaker: It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for New Westminster—Burnaby—gun control; the hon. member for Davenport—Bill C–62.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I think you would find unanimous consent, after the consultation I have had with the two opposition parties, for the following motion:

> That from 5:30 p.m. today until the time of adjournment the House will not entertain any adjournment or other dilatory motions.

(Motion agreed to.)

* * *

GOVERNMENT ORGANIZATION ACT (FEDERAL AGENCIES)

The House resumed from February 7 consideration of the motion that Bill C–65, an act to reorganize and dissolve certain federal agencies, be read the second time and referred to a committee.

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, it is a pleasure to speak to Bill C–65 which makes an attempt at reorganizing and dissolving certain federal agencies. The one I will be talking about is ACOA.

The attempt in the bill is to reduce the number of board members from 18 to 7. I want to talk about whether or not that is truly effective. Another thing I want to talk about with respect to the bill is patronage, about which we had a long discussion yesterday.

My hon. colleague from Burin—St. George's said yesterday that there will always be patronage. Whilst the Liberals main-

tain that there will always be patronage, perhaps there will be people whom we know to be competent who should go into certain jobs. I call into question whether or not patronage is appropriate in some positions. I have for a long time been rather outspoken about patronage appointments to the Senate. The Reform Party has been rather clear about a triple E Senate, which is elected, effective and equal.

We have seen time after time Liberals and Conservatives putting their friends in the Senate where they are paid until age 75 and live rather well on the backs of the taxpayers. It is time to give up on those kinds of patronage positions which give your friends truly a more advantageous position in life than those who are equal and even perhaps more qualified for the positions.

• (1645)

Look at the recent Senate appointments which fly in the face of the vast majority of Canadians. There were five Senate appointments made by this Prime Minister to the Senate. One of them indeed was a sitting member of Parliament. I question the anti–democratic move of doing that. This individual was elected in his own riding and now the Prime Minister just fetches him out of it and says: "I am going to run one of my buddies in here and see if we can get him in as well".

That flies so much in the face of what people believe. I cannot believe this government is reproducing what the Conservatives did. And the Liberals yelled and screamed about that when the Conservatives were the government. Even the Governor General's appointment is basically patronage today. That speaks for itself.

I have had a great deal of experience with refugee boards which are again political appointees. They make a pretty good salary and make what really amounts to life and death decisions. Some of the decisions have been far from credible. Some of the individuals on those boards are far from credible and do not meet the qualifications, skills or abilities in some cases.

Yet we still have patronage. Members from the opposite side say patronage will always be. I have to question the logic of that. Many people are questioning the logic of it and what we get is more patronage.

I have to question the patronage in parole boards. I have to question the patronage of immigration adjudicators, the patronage in harbours, boards, commissions across this country. Why can we not publicly advertise for these positions and take people based on their qualifications, skills and abilities?

There is a recent patronage appointment that we complained about two days ago. We would have complained about it again today but we could not get it on in question period because we only had five questions and it was number six.

Let us look at the individual who was most recently appointed to the CRTC. The Prime Minister stood up in the House yesterday and talked about that very position. He talked about the need to look at people for skills and abilities and so on.

When we checked on that appointee we found there were problems. In fact the Prime Minister said himself that if we found certain problems with this perhaps the government would not make that appointment but it has made the appointment. We find problems with it. If we really dig deep in a lot of these positions it sways, it gets away from skills and abilities and qualifications. That is wrong for government.

We have to look at the damage that creates in the parole board, in refugee boards, and so on. We have to look at the victims and the common ordinary citizens who by the way never get this opportunity unless they have been a member of a Liberal campaign committee and so on and so forth. What opportunity does the average law–abiding Canadian citizen get for these kinds of jobs? It does not happen.

Let us look at the cost of these positions: $85,000 and $90,000 for some of them. Why not advertise for these positions? Why not do what any other corporation does? Crown corporations do it.

I really want to talk about ACOA. It is my favourite thing to look at in this country. I was glad to hear the minister today announce that he is doing away with grants altogether. I would not give the minister much credit for that. The announcement was made subsequent to when we disclosed all of the bad grants in ACOA. While it is nice that the minister did that we will take credit for it in the House of Commons and throughout this country.

• (1650)

Now to reduce the ACOA board in members only is actually laughable. Just think about this. The minister says that what is going to happen is that ACOA will no longer give grants. It will basically be giving loans. They will not be forgivable loans but repayable loans as far as I understand it from yesterday's discussion. It is venture capital basically.

FBDB does the same thing. Why is it we are just reducing the number of boards? Why can we not just collapse this organization, get rid of its administration and allow FBDB to do the job?

I asked that question yesterday of the member from Halifax. On December 8 I asked a question in the House about FBDB versus ACOA. I did not get a satisfactory answer from the minister so I asked the same question last night in what we call the late show. I put the question clearly and distinctly.

What I received from the member for Halifax who answered the question was a two minute speech, your basic Liberal rhetoric on issues about ACOA, but it did not answer the question. Therefore, I am going to come back to that and I am

going to ask it again and again and again. Hopefully the member for Halifax will not be answering because I do not think she knows much about it.

The question has to be: Why are we reducing the number of board members in ACOA? Why are we not eliminating ACOA? What we are doing here in C–65 is surface scratch. One does not have to go very far with this Liberal government to look at surface scratch. One only has to look a little at the Young Offenders Act.

The majority of people in this country are concerned about the Young Offenders Act. They talked, we talked and many people talked about lowering the age, about advising citizens out there of sexual offenders and so on. The Minister of Justice came up with a ridiculously weak, limp act for young offenders.

Gun control was the same thing. In trying to address crime the government went to gun control. The budget was the same thing. The Liberals did nothing on the budget last year and they are still spending money like Mad Hatters over there. We demonstrated that today in some of the ridiculous research grants.

Bill C–44 did all but nothing in immigration because in the final analysis they will not be removing the bad guys anyway. That is what I call surface scratch.

When somebody brings in a bill like Bill C–65 which states that the number of board members is going to be reduced from 18 to 7, I ask what is wrong with these folks across the way? Why can they not go out and do the job fully? Why are we surface scratching?

We have to look at a new vision here. There are a lot of documents now that mention a new vision. In his book the leader of the Reform Party talks about a new vision. Lots of documents refer to a new vision in Canada.

What we have here is a traditional party entrenched in an old vision. So old is that vision that when they tried to come up with something new in HRD with the social programs, it collapsed. They stand in here today and have the gall to try to tell people that is what they want. We heard it all across the country. They said that is what they want, no change, which is exactly what they received with this government because this government lacks vision. It is vision that we need.

Bill C–65 is not a new vision, it is traditional. They are talking about saving money but it is surface scratch. There is hardly any money in this.

• (1655)

If you want to get rid of an organization, get rid of ACOA and save some money. The administrative travel expenses within ACOA are a national disgrace. It is all over the country. Everybody knows about it. There is nothing touched in it. They just reduced the number of directors.

Let us not talk about surface scratch here. Let us talk about new vision. We had an admittance yesterday that the Liberals have practised "corrupt patronage". That is a quote in *Hansard* and came from a Liberal member by the way. I believe it was the member for Burin—St. George's.

I would agree with that. You only have to look at some of the patronage appointments. I will refer to the *Globe and Mail*. I think everybody across the country has read this by now and are shaking their heads about patronage appointments.

Look at this: A tax court judge was an MP. Here is an individual, former provincial candidate in Mississauga, southern Ontario. Here is a fellow, a candidate in Quebec in 1993, one from Calgary Northeast and a three time candidate in Edmonton. On and on and on it goes. It cannot be a coincidence that all of these past candidates in 1993 have the skills, abilities and qualifications for the job. That cannot be the case. This is clearly padding your friends and it is totally wrong.

In 1992–93 ACOA wrote off in excess of $53 million. I would like to ask members opposite what the difference is between a repayable loan that is written off so that the borrower does not have to pay, and a grant.

An hon. member: There is no difference.

Mr. White (Fraser Valley West): There is no difference between a grant and a loan that is never repaid. If ACOA is now into repayable grants many of which are written off, then collapse ACOA. Fold it. Do not just get rid of the directors, get rid of ACOA. Save the taxpayer a whole bundle of money. Save them $50 million in write–offs for certain and then let FBDB take its place, or the banks. Has anybody ever thought of dealing with the banks?

Yesterday another speaker opposite said that we already have a very efficient government. I have to ask, if the Liberals think they have an efficient government then they are really out to lunch. That is what the change is all about. That is why the last party from Jurassic Park sits with two members here. That is exactly the mentality that is going to have this second party join Jurassic Park in the next election. The assumption that it already is an efficient government is totally erroneous.

I cannot say much more about this because I could run down all of these other reductions in boards and institutions but they are basically all the same. This is surface scratch. The government does not really intend to save a lot of money here. It is just taking out a few things to make it look good. It has done it time and time and time again in the last year.

The question is: Who does the government really think it is kidding over there? There are people actually watching and they

are a lot smarter today than they were before. Bill C-65 is surface scratch. It is Liberal do nothing legislation, much like Bill C-44 was.

• (1700)

Mr. John O'Reilly (Victoria—Haliburton, Lib.): Mr. Speaker, I wonder if in questioning the hon. member whether he would consider the appointment of the National Parole Board, for instance. The new chair of the National Parole Board is a career civil servant with no political connections. He came through the ranks, was appointed on the basis of his qualifications after being interviewed. I wonder if he would recognize that as something the government has started, and is that what he considers to be a patronage appointment?

Does he want us or the government to leave the Senate completely dominated by the Tories, holding back the Pearson airport deal as an example? Is that what he expects to do?

Also, does he not recognize that in some of the appointments the Prime Minister is making, such as Ed Broadbent and so forth, that there are no pensions, no double dipping, that with any new appointments by the Prime Minister people like Ed Broadbent are being asked? Does he not realize that Roméo LeBlanc, a man for all seasons, a fair, honest Acadian, a person who fits the Prime Minister's style was a good appointment?

Mr. White (Fraser Valley West): Mr. Speaker, when making so many patronage appointments, the obvious thing has happened with governments over the past decades. They make some that are good, naturally; they even make some from other parties, I suppose. That covers them for making the majority, or many of them, their friends.

Look at this list. A member of Parliament's campaign manager in Vancouver Centre was executive assistant to the ministers of justice and energy, mines and resources in the eighties; assistant to a former Nova Scotia Liberal leader; assistant to various Ontario MPPs. These are Liberal Party hacks.

Of course some will be made based on qualifications, skills and abilities so exactly what has happened here can be done. A member stands up and says: "Look at this one; let me identify this one; what do you think of it?" That particular individual may be good based on qualifications, skills and abilities. I do not know the particular individual and his qualifications, skills and abilities, but I do know there are many people on parole boards who do not have the qualifications, skills and abilities.

Mr. O'Reilly: Answer the question.

Mr. White (Fraser Valley West): I think I just have. He asked me if this particular person on the parole board had the skills and abilities. I do not know that particular person. My answer is there are a lot who do not. I can tell the hon. member that.

The next question I believe the member asked was on the Senate. He asked whether—it is a wise thing I suppose—there should be more Conservatives than Liberals in the Senate. I think he has missed the point. We are talking about the ability to have an elected Senate so that perhaps the senators could be neither Liberal nor Conservative; what a novel idea, not a party hack.

That is the problem. It is like firing your brother or your sister. They get them into the Senate. These governments are not going to change. As soon as the Liberals got in the whole country new darn well they would start putting Liberals into that Senate. The only way to stop that is to get a party into this government with no friends in the Senate, none at all, so we will not be marrying off: "We need some to offset the Conservatives and the Liberals in this Senate". Talk about traditional thinking, that is traditional thinking. What is wrong with a triple E Senate?

I am sorry, I am not sure what the third question was.

Mr. O'Reilly: Roméo LeBlanc.

Mr. White (Fraser Valley West): Roméo LeBlanc, the Governor General. That position is considered by most as the highest plum on the plum tree. Whether or not his skills and abilities fit the job, I am not really sure what his skills and abilities are.

• (1705)

I will say right now I am not in favour of having a Governor General position in this country, nor am I in favour of Lieutenant Governor positions in this country. That is why I was not at the session today nor the party tonight. Whether or not the individual has the qualifications it is just tradition.

I was asked today why I was not there. I said that I really did not intend to think like these traditional good old boys here. Maybe we should be questioning whether there should be a governor general or a lieutenant governor. The individual I was talking to said that is tradition. I told him that is what is wrong here. What is wrong with questioning this good old tradition? What is wrong with questioning the fact that this government wants 50 per cent or more of the Senate to be Liberals?

An hon. member: What is wrong with that?

Mr. White (Frazer Valley West): There is a lot wrong with it. You would have to go a long way in this country today to find many people who would want Liberal Party hacks or friends of the government or anybody else appointed to the Senate. That is what is wrong with that. Elect them. Give the average, ordinary Canadian citizen on the street an opportunity to be a senator.

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, I rise today to offer the minister a hearty nice try on his Bill C-65. The bill is

an act to reorganize and dissolve certain federal agencies. This is good. It would be a lot better if it were just a bill to dissolve certain federal agencies.

I represent a riding with a major sea coast and my constituents will sleep better knowing that the Canadian Salt Fish Corporation has been dissolved. I also cannot express anything but pleasure at the knowledge that the National Film Board has been reduced from eight to six members. I hope it will not find itself unable to make appalling decisions due to its short staffing.

I want to say with a straight face that I am confident that the President of the Treasury Board experienced real difficulties in getting the civil service to agree to these cuts. I mean no sarcasm by saying this.

In Mr. Martin Anderson's book *Revolution: The Reagan Legacy* he describes his own bureaucratic battles to get rid of the board of tea tasters within the U.S. executive branch. He failed. I think the minister deserves credit for what he has done. Let us have a hearty nice try for him and then let us get serious.

How big is our spending problem? How big are our debt and deficit problems in Canada? The Liberal government appears recently to have noticed that its own lust for big government coupled with Progressive Conservative incompetence has saddled this nation with an on–book debt of over $500 billion and an unfunded liability in the Canada pension plan of about a like amount, and we continue to have annual deficits in the range of $35 billion to $40 billion.

For years the established political parties laughed the debt off: "We are creating assets. We owe it to ourselves. What is a billion? We have a culture to create". Whoops. I will tell you what a billion is. It is a one followed by nine zeros. It is so much money that if you spent $1,000 a day since the birth of Christ you still would not have spent a billion dollars today. As a matter of fact you could go on for approximately another thousand years. If you spent $20 a day since the dinosaurs vanished, you still would not have spent $500 billion. What I am getting at is that it is a lot of money even by the standards of this government.

How much has the minister saved us? How long has it taken him to save us that money? It was Albert Einstein who once said it is impossible to solve a problem by thinking on the same level that caused it. He was right. If we are going to try to eliminate our deficit and get our budget under control we are going to have to do some bold new thinking.

• (1710)

Mr. English: Mr. Speaker, I believe the member for Winnipeg South rose at the time when the member for the Reform Party rose. I would ask that you consider allowing the member for Winnipeg South to speak.

The Deputy Speaker: The parliamentary secretary is absolutely right. The Chair made an error. A name had been taken off the list and the next name on the list was the member for Skeena.

If the member wishes to interrupt the speech to go back on line to get it correct, the Chair is obviously happy to do that. I am in the hands of members.

Does the member for Skeena wish to stand down to get the order right? Or does the member for Winnipeg South wish to let the member continue and the public will understand that the mistake was made by the Chair?

Mr. Scott (Skeena): Mr. Speaker, I think it would only be appropriate since I am approximately halfway through my remarks that I be allowed to continue.

The Deputy Speaker: I will call on the hon. member for Winnipeg South to make a point of order if he wishes to do so.

Mr. Alcock: Mr. Speaker, that is fine.

Mr. Scott (Skeena): Mr. Speaker, if we are going to try to get our deficit and our budget under control we are going to have to engage in some bold new thinking. We cannot go on the same old way. We cannot go on making the same old assumptions. It really is true that as Tony Robbins expressed, insanity is doing the same thing over and over again, expecting a different result.

The Progressive Conservatives certainly proved it with their refusal to tackle program spending. What they did was considered insane either politically or in terms of the national interest.

Apparently the Liberals were too busy scoring partisan points to notice what had happened, let alone why. Look at the minister's social policy review. Having helped create our impossibly expensive social programs, having made many extravagant promises that drive our welfare state, the minister set out to produce sweeping reforms without changing his approach. He failed.

While we all feel a little pain at his embarrassment, even humiliation, in failing so spectacularly and so publicly in the most important assignment of his long and sterile career in politics, those of us on this side also feel a certain annoyance that the minister, given such responsibilities, was unable to rid himself of old and discredited ideas about the proper role of government.

The idea the minister did not have and the idea that the Minister for Intergovernmental Affairs did not have are one and the same. They did not ask whether the programs we are spending too much money on are working. They just assumed everything was fine, but we were not quite efficient enough.

The programs are not working. What we need is bold and original thought. We need clearly expressed yardsticks for measuring their success. If they are not working we need to shut them down.

Actually, as I stand here and say that it does not sound all that clever or difficult. I wonder why the minister did not think of it, or the Prime Minister, or the President of the Treasury Board. If they had they would have noticed something, not something small and subtle, not a little tiny point of light in the distance. They would have noticed a huge, roaring fire, consuming money in amounts that are literally astronomical, and for nothing that we can see that we want.

I refer to our social programs. They consume two thirds of non interest spending by the federal government. They consume more than $80 billion a year. In a country that is unimaginably rich by historical standards, these immense social program expenditures are taking place side by side with the apparent disintegration of our society. We spend billions on poverty relief but apparently poverty keeps getting worse. We spend billions on health care and our spending grows geometrically. Yet waiting lists lengthen, equipment deteriorates and our politicians go for treatment in the United States.

• (1715)

We are paying 5 per cent of payroll into the Canada pension plan yet it is an unfunded liability and has reached half a trillion dollars to date. Half a trillion is a five followed by eleven zeros.

Meanwhile, the President of the Treasury Board, to save us all from bankruptcy, has decreased the board of directors of the CBC from 15 to 12. Were they spending over $12 billion each? Perhaps the government will tell us every little bit helps. I am here to say that it does not, not enough. I am here to say that Ralph Klein was right when he said: "You have to go hunting where the ducks are". The ducks are in the social programs, not in the board of the Canadian Cultural Property Export and Import Act, and that is where we have to go hunting.

When the minister spends as many months and as much political capital as he has to eliminate the post of secretary of the Canadian Film Development Corporation, it is that many months and that much political capital he cannot spend on changes that would really matter.

I do not know whether hon. members opposite ever watch *Yes, Minister* or whether they are too busy living it. However, they should watch it because it is not just funny, it is very accurate. In one episode when the minister is criticising his permanent secretary, Sir Humphrey Appleby, for the amount of bureaucracy that exists, Sir Humphrey tells him quite rightly that it has nothing to do with him, it has nothing to do with the bureaucrats. "The reason there is so much bureaucracy", he insists, "is that the Parliament keeps creating programs and they all need to be administered".

The total cost of administration for the federal government is $20 billion. The deficit is close to $40 billion. We would have to shut it all down twice to balance the budget. This bill does not come close.

I realize that to make a real dent in the deficit, the government would need two qualities it does not possess in any great quantity: courage and imagination. Even the Republicans in the United States have found that what the public wants to hear is that they are cutting bureaucrats, not programs. To say that is to take the easy way out. It is not the bureaucrats who are causing the deficit, it is the programs. Before one can say that, one has to be able to think it and that is where the active imagination comes in.

Many members opposite have been in politics a long time. They do not realize that the ideas that were once bold and new have gone stale and timid in the decades since. They do not understand that "government knows best" has been tried and it has failed miserably.

However, I put it to them directly that when one is looking at a roaring fire that is consuming some $40 billion a year and one responds by changing the definition of a peace officer under the laws governing the International North Pacific Fisheries Commission, one is totally missing the point. One had better take a step back and take a good hard look at the overall structure of government and then one had better be willing to tell people openly and honestly what was found. The government has to tell the people that Ralph was right. It has to tell them that we have to go hunting where the ducks are and that they are in big social programs, not in the board of trustees of museums. Then it has to cut them.

Let us have a rousing "nice try" for the minister but let us be clear that he failed. Maybe it is time that he stepped aside. Maybe it is time that the human resources minister and the Prime Minister stepped aside and let a party that truly knows and truly has the vision to resolve these problems take control.

Mr. Reg Alcock (Winnipeg South, Lib.): Mr. Speaker, I have heard some talk today from both of the speakers of the Reform Party on this bill about bold new thinking, new vision, a new way of doing business and yet all I hear is very old political rhetoric. I would like to ask the member in all seriousness what he feels is served by coming into the House and talking about the long and sterile career of a member of the House or denigrating the person. It is one thing to come forward and raise a legitimate concern about an individual who may be misperforming his or her task or about a policy decision of the government. But it is another to come forward as members of his party have done today and, as some might call it, slander other Canadians, without a scintilla of evidence, without any proof, in fact standing up and admitting that they had not bothered to check the qualifications, but of course they were unqualified.

• (1720)

The question I would like to ask is in the business of good government, how is a bold new vision served by that kind of tactic?

Mr. Scott (Skeena): Mr. Speaker, I would like to respond to the hon. member's comments by stating that the minister has been in the House for a long time, not always on the government benches. He is part of a government that began its administration in the late sixties with a vision of "we can help Canadians because we are all knowing and all powerful and able to solve all Canadians' problems for them. All we need is their money and their co–operation. If we do not get their co–operation we will force it down their throats".

This vision was expressed by the Liberal Party and has been around for some two and a half decades now. It has failed miserably. The consequences of that failure is what we are dealing with today. Yes, the Conservatives had a hand in it too. The Conservatives are culpable because they had an opportunity to do something about it in 1984. They looked it in the eye and walked away from it.

It is a creation of the Liberal Party. It is a creation of ministers such as the one I was referring to. It serves the Canadian people to understand not only how we are going to deal with our problems but how we got here in the first place and the bad ideas that brought us to the brink of debt and ruin.

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, the sad part of Bill C–65 is that the government is acting pretty well like the Conservative Party acted in encouraging patronage. The government is not implementing a law that is reducing patronage at all. It is a public relations exercise, as our colleague in the Reform Party mentioned earlier, scratching the surface.

I wonder whether or not it is confusing a lion's roar with a burp. Yesterday when the government introduced Bill C–65 it mentioned it as being a great improvement in government, a great advancement, aggressive government, progressive government. It is as though we are dealing with Conservatives who are giving us the impression that they are really changing something when in fact they are not. We are living with the same system of patronage, give or take a few things. Certainly it is the case of the mouse that roared or mice that are trying to roar but they are certainly not giving us much to deal with anyway.

Mr. Scott (Skeena): Mr. Speaker, I find myself in rare agreement with my colleague from the Bloc. I appreciate his remarks.

I think what he is getting at is essentially what I was trying to say in my intervention. The government is trying to display to Canadians that it is doing something but when you get beneath the surface, it is not. It is really sad when Canadians not only are expecting but are hoping against hope that the government really is going to do something.

• (1725)

They understand it is crunch time. They understand that it is time to pay the piper. They are saying: "Let us get on with it. Let us face up to our problems in this nation and let us overcome them". The government is telegraphing false hope.

I think that is what the member is alluding to. We do not see real systemic change. What we see is window dressing.

Mr. John English (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, we have heard comments about surface scratching and burping and other qualities.

Yesterday when we talked about the actual numbers I recall the government had eliminated 589 positions. It has appointed only 700. That strikes me as far more than scratching the surface.

Moreover in the *Globe and Mail* article that was frequently cited today and yesterday, 80 people were identified with ties to the Liberal Party out of 700 appointments. One would find in the public opinion polls that there are probably more Liberals than that.

The Reform Party has difficulty with the kind of argument it is making. What I have heard from members of the Reform Party in the past is that the problem is Ottawa, the problem is government, the problem is the civil servants.

These boards are made up of Canadians from across the country. Many of them are regionally appointed. Many agencies are regional. Certainly some of them are appointments of people who reflect the views of the government. That is natural because you do have to change things. The majority on the boards are not now Liberal because they were appointed by the previous government.

If you in the Reform Party are out to change—

The Deputy Speaker: The hon. parliamentary secretary and all members will please put their remarks to the Chair for the reasons that have been explained many times in this House.

Mr. English: Mr. Speaker, members of the Reform Party surely will recognize that there is an advantage for their party to have people appointed from outside the House of Commons, from outside Ottawa to supervise activities carried on by Ottawa.

Mr. Scott (Skeena): Mr. Speaker, I would like to respond to the comments of the hon. member by saying that he is trying to insinuate that there are really not many political patronage appointments being made.

Yet we sit in the House week after week asking the Prime Minister why he continues to make political appointments. He keeps shrugging his shoulders and saying that there are only Liberals in Canada, there is nowhere else to go.

I cannot believe the arrogance of that response. It will come back to haunt this party and the Prime Minister. It is indicative of the fact—everyone who sits in the House knows it—that virtually all of the important political appointments that have been made since the government was elected are patronage appointments. They are going to friends of the government. They are going to Liberal hacks and insiders. Canadians are starting to get the message. The media is reporting it. It is going to come back to haunt the government much as it came back to haunt Mr. Mulroney and his Progressive Conservatives.

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, when I listen to my friends from the Reform Party and the way they talk today, I fully understand why they will probably form the next government. They know how to target the real problems.

I would like to ask my hon. colleague a question. He was talking about having an active imagination and looking at the overall structure of the government. I would like to ask him if he would agree to start with plucking the other place.

Mr. Scott (Skeena): Mr. Speaker, it has long been the position of this party and of myself personally that the Senate can be an important place if we adopt the principles of triple E. As long as it is a haven for patronage political appointments it will never be regarded with any credibility by Canadians anywhere.

The Deputy Speaker: It being 5.35 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*]

FRESH WATER

Mr. Bill Gilmour (Comox—Alberni, Ref.) moved:

That, in the opinion of this House, the government should support a policy that Canada's fresh water, ice and snow will be protected so that at all times and in all circumstances Canada's sovereignty over water is preserved and protected.

He said: Mr. Speaker, I am pleased to have the opportunity to present and speak on this motion. The motion I am presenting to the House today deals with the need for the government to support a policy that protects and preserves Canada's sovereignty or control over its own water.

Let me begin by emphasizing why we should pursue a policy which protects and preserves Canada's sovereignty over water. On the surface it appears that we already have control over our water. However this is not the case.

The present terms of NAFTA—and I will go into them in more detail later—directly affect Canada's sovereignty over her water. We have sovereignty only until a sale has begun or a river has been diverted. At that point the supply of water under NAFTA cannot be stopped and we lose control of this very precious resource. At this point in time Canada's control over water is hanging on a thread and we need to take action to rectify the situation.

I will go into detail later to explain exactly how the terms of NAFTA affect our sovereignty over water and how this situation can be fixed. However, first I wish to emphasize to the House why we must protect our water because it appears that the significance of this resource has been underestimated by many Canadians and this perception is likely due to the fact that water is so abundant in Canada.

Canada has more water per capita than the vast majority of nations in the world but clearly its value should not be underestimated. Water is our most valuable resource and our sovereignty or control over this resource must be protected at all times.

In the view of many experts water will be the most important resource of the 21st century. Clearly Canadian control over this political, economic and environmental commodity is paramount. Many experts have suggested that what oil has been in the past century water will be for the next.

Canadians have such an abundance of water that it is often taken for granted. We often forget to look at the future and conserve our supplies or to look at the larger picture, which may only be as far as our neighbours to the south, to see where water has become the commodity of the future.

Its value has been underestimated and overlooked in international agreements and the consequences will be serious. Water is a precious resource. It could also be a valuable bargaining tool, a card that we should not be too quick to play.

Most of Canada's fresh water supply is concentrated in the Great Lakes, which accounts for 20 per cent of the world's fresh water supply and represents 95 per cent of North America's surface water. The Great Lakes are the most important natural resource shared by Canada and the United States. The Great Lakes provide a reliable source of fresh water for one-fifth of the U.S. and one-half of Canada, supplying 26 million people with drinking water.

The 1985 international joint commission concluded that consumptive use of water in the Great Lakes basin is likely to double by the year 2000. Current estimates suggest that the total global consumption is likely to rise tenfold during the 20th

century and that water scarcity will be of increasing concern, particularly for most arid and semi–arid countries to the south.

Of increasing importance to Canadians is that right next door Americans are facing significant water shortages as their resources are dwindling. The only natural source of water from Colorado to California is the Colorado River and its tributaries which provide water to seven states. It has been drastically reduced as a result of overuse and mismanagement.

The most important source of underground water in the U.S. is the Ogallala aquifer. Six states from Nebraska to Texas are completely reliant on this aquifer, yet it is currently being drained at a rate 50 times faster than it is naturally refilling. To paint an even bleaker picture, we must consider the fact that U.S. land west of the Rockies to the Pacific coast is arid and agriculture in these areas depends almost exclusively on irrigation. A significant portion of North America's fresh produce is grown in this region.

Clearly the American water crisis is serious and under increasing domestic pressure. With our abundance of water we are the closest and most logical source of water for our American neighbours. The Americans do and have looked to us for water.

There have been at least 13 proposals for large scale diversions of water to the U.S. from the Great Lakes. In B.C. there are 19 Canadian companies that hold surface water licences to bottle four million litres of water every day for the American market. More than 30 companies have planned to export fresh Canadian coastal water by supertanker.

One B.C. company was on the verge of negotiating a deal to ship 12.4 billion litres of water to Santa Barbara, California, in 1990 at an estimated price of $34 million U.S. However the deal was never finalized because of local contentious issues.

Last month Alberta announced its proposed water conservation and management act which would make Alberta the first province in Canada where water rights could be bought and sold. This has been viewed by many as opening the door for eventual exports of water to the U.S.

This motion is not about whether we should or should not export water to the United States. However it is about our ability to make decisions without losing sovereignty or control over our water, ice and snow.

There are many arguments for or against water exports on political, economic and environmental grounds. This motion is about Canada's ability to maintain the right to choose how or if we wish to market our water and Canada's right to maintain its sovereignty over water in any given circumstance.

We must retain our ability to choose what we want to do with our water, whether we want to sell it and, if so, we must retain the ability to choose whether we wish to continue such activities, particularly in times of shortage of our own domestic water supply.

Economically it may make sense to market water to the Americans or elsewhere some time down the road. However, before these exports take place there must be an agreement with the Americans that allows Canadians to proceed with water exports without the threat of loss of control over that resource.

As it now stands Canada is vulnerable in the event of any water exports or diversions. Despite our abundance of water it would not be to our advantage to begin or enter into any major water exports because our ability to control the use and planning of that resource is undermined by the North American Free Trade Agreement.

There has been a great deal of confusion regarding NAFTA and water, particularly during the last election when the agreement had not yet been signed. There are still many problems with NAFTA and water rights and these concerns must be addressed.

The main area of concern is that water is not one of the items specifically exempted under the terms of NAFTA. Article 309 prohibits controls by Canada covering the sale or export of any good destined for either the United States or Mexico. Water in Canadian rivers and lakes is not mentioned in the export prohibition that NAFTA directly sanctions, which means that water will be freely exportable. Under NAFTA we cannot place restrictions on our ability to sell water.

In addition, water is also subject to the same rules as tradable goods under NAFTA and includes the right of national treatment. This means Canada cannot give Canadians better access to Canadian water than it gives to the Americans or the Mexicans. The concern is that under NAFTA once water is diverted to the U.S. it cannot be stopped even in times of our own domestic shortage. Once we begin to sell our water to the Americans our control over that resource is lost.

• (1740)

Article 2101 of NAFTA requires that any trade restrictive measure taken relating to the conservation of any exhaustible natural resource, including water, be made effective in conjunction with restrictions on domestic production or consumption. In other words, any trade restrictive measures on water must be applied on a national basis. If we are to cut back on our water supplies to the Americans, we must take the same cuts ourselves no matter what kind of domestic shortage we have at home.

Under the present deal we cannot give ourselves any better treatment regarding water than we do to our NAFTA partners.

Whatever we charge ourselves for water must be in line with the price we charge other NAFTA partners.

These restrictions place a heavy burden on Canada. Under the present agreement it would be extremely unwise for Canadians to enter into any large scale water exports with the Americans. Personally I find it incredible that Canada actually agreed to such restrictive terms in the first place.

Whether or not water was included in NAFTA negotiations is unclear. Previous and current governments have argued and continue to argue that we have not sold our rights to water in the NAFTA. The argument or justification for the deal is that Canada is not obliged to sell water to the U.S. under NAFTA. This is just political banter because once we begin to sell we cannot turn the tap off. Our sovereignty over water has clearly been sold out in the present NAFTA.

No matter how we look at it, the truth is that we no longer have the control to do as we choose with our water. It is a Pandora's box, for once it is opened sovereignty is lost. The deal has placed Canadians in a precarious position that must be addressed before control of this resource is clearly lost.

Government legislation such as Bill C–156 sought to ban large scale exports in 1988. However it died on the Order Paper before being implemented.

The Prime Minister's pledge to prevent any large scale water exports from taking place as long as he is Prime Minister made in early November 1993 is meaningless without corresponding backup legislation and a NAFTA subagreement. I challenge the Prime Minister to back up his resolve to control Canadian water with strong legislation ensuring sovereignty and control over this precious resource, followed up with NAFTA negotiations to ensure the same.

An additional point I wish to make is that these laws and any future restrictions are completely redundant because NAFTA states that no party may restrict the export of any good destined for the territory of another party. Any domestic water policies could also be shot down by a trade dispute panel as unacceptable interference in the free market.

Clearly the only possible solution, if Canada is to maintain sovereignty over water, is to negotiate a side agreement to NAFTA that specifically exempts water from the terms of the agreement.

Negotiations of the agreement regarding water were promised by the Liberal government before the agreement was signed. Are we about to see the Liberals fail to deliver on yet another promise? I surely hope not.

Immediately after the last election, early in November of 1993, the Prime Minister publicly stated: "It is time to talk about Canada's desire to renegotiate aspects of the deal". The Prime Minister promised that he would not sign any international or bilateral trade agreement that would oblige Canada to export water.

Shortly after the election the Prime Minister guaranteed to Canadians that "water remains under the control of the Canadian government". He guaranteed that this was a fact and promised to "make sure it is like that".

The Prime Minister went on to say that he had a message for President Bill Clinton: "Do not even dream that NAFTA gives the United States unlimited access to Canadian water. That is because water and the North American Free Trade Agreement do not mix". These are simply empty promises as the Prime Minister has so far failed to follow through.

• (1745)

Canadians are still waiting for the government to live up to its commitment. If water and NAFTA do not mix, why did the Prime Minister sign the deal? And why has he made no effort to negotiate these other aspects? The only justification the Prime Minister and his trade minister had for signing the deal was that nothing in NAFTA forces Canadians to sell a good that we do not wish to sell.

It is true that NAFTA does not force us to sell our water. However, NAFTA forces us to continue sales once we have begun, and places severe restrictions on our ability to regulate and control the marketing of our own resource. It is not enough to have the power to make the decision to sell water. Canadians must have the power to shut off the tap when it is felt necessary.

Once a decision is made to export water, future exports should not be mandatory. It is simply not good enough for this government to merely pledge to prevent the export of bulk water to the U.S. as was done immediately after the NAFTA agreement was signed in November 1993.

Canada caved in on an opportunity to provide special protection for water in the original free trade pact with the U.S. and should have taken the opportunity to make the necessary amendments before signing the deal. It is still not too late to act.

I would like to point out that earlier this month Mexico received a $20 billion aid package from the Americans to help stabilize the Mexican peso, on the condition that credit lines be guaranteed with Mexican oil export revenues. What does this have to do with water, you ask.

Canada is in a similar situation to Mexico with the current load Canada and Canadians are presently carrying. There are predictions that Canada may require a bailout from the Americans, and similar to American conditions on Mexican oil exports, loans will undoubtedly put conditions on Canadian resources, such as water.

In conclusion, we desperately require a clear written understanding that Canada has sole control over its water resources. Canada must protect its sovereignty over water and negotiate a side agreement to exclude water from NAFTA. This issue is far too important to ignore.

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Mr. Speaker, I am very appreciative of the intervention by the member for Comox—Alberni. I share his concern and the government shares his concern for the maintenance of Canada's riches, Canada's natural resources.

I also have some particular interest in this subject because it touches an area in which professionally I have given it some attention. It is of course true that sovereignty is the basic constituent element of a state and sovereignty extends to its territory, its land, the resources of that land both under and above it, fixtures, to the air space above, and to the territorial sea. It is elementary that sovereignty cannot be derogated from except by the sovereign personality himself.

So to this extent Canada retains full sovereign rights unless we ourselves choose freely to contract out of those and that would be an obligation entered into under international law. It is a fact that we have led in the international law related to protection of natural resources, our own and also those of other countries. We have been interested in clean air. We have pioneered the treaties and the protection of the atmosphere. We have led the way in the proper utilization of the law of the sea, and its protection from pollution.

Also, I may say in pursuance of this, because not all states have accepted our high standards, we have not merely negotiated and led the way to international treaties and multilateral treaties extending protection of the law of the sea, but we have negotiated bilateral treaties with numbers of other countries when the international or multilateral action was slow in coming. For example, we have extended zones of 200 miles from our coast, the better to exercise these international law norms.

• (1750)

I mention this simply to say that Canadians have led in this area. It was something very much in our minds when we negotiated specific agreements with the United States in relation to the Great Lakes, in relation to international waters, international rivers. It was also very much in our minds when we negotiated the North American Free Trade Agreement, the trilateral agreement with Mexico and the United States.

It happens that during the election campaign in October 1993 this issue was raised in the public debates: Is there any derogation from Canada's control over its natural resources, over its water in particular by virtue of the NAFTA agreement. This was something to which all candidates, certainly in my part of the country, addressed themselves. The answer is very clear: There is nothing in the NAFTA agreement itself derogating in any way from our sovereign powers over our water resources.

However there is a point in international diplomacy and international law in which for greater security one acts inaccord with the Latin phrase, Mr. Speaker, and you and I both deplore, as Lord Justice Denning called the attempt to fetter law by recourse to Latinisms. I will quote the Latin phrase ex abundanti cautela but I will repeat it in its essential, for greater assurance. I said to those who asked me then: I will seek a clarifying statement that makes assurance doubly sure. Immediately after the election and in fact during the campaign, I asked the Prime Minister if we could address ourselves to this and this is what has been done.

A trilateral agreement was signed by the Prime Minister of Canada, the President of the United States and the President of Mexico. It is what is called a joint declaration. Annexed to the NAFTA agreement is the joint declaration of December 2, 1993. It says it very clearly and recites what is in any case I think as a matter of interpretation clear in the NAFTA agreement itself.

The statement annexed to NAFTA establishes that NAFTA creates no rights to the natural water resources of any party to the agreement. Unless water in any form is entered into commerce and becomes a good or a product it is not covered by the provisions of any trade agreement including the NAFTA. I could read the balance of this but I think therein is the essential.

What is the legal status of a joint declaration of this sort, a statement annexed to the NAFTA agreement? I do not want to bore you with technicalities but the fact is that what are called by various names, joint declarations, agreed interpretations, joint statements, provided they are signed by the parties to the agreement become part of the agreement.

The best known example of this is of course the SALT I treaty, the strategic arms limitation treaty of 1972 between the United States and the Soviet Union. It has many, perhaps 30 such declarations and agreed interpretations annexed to it, and they are binding in terms of interpretation of the treaty.

I would simply say this to the hon. member for Comox—Alberni. We are sensitive to his concern, which we share, for the preservation of our great natural resources, for the preservation of our water. There is nothing in NAFTA, nothing in any international agreement to which Canada is party derogating from our retention of full sovereign rights over water within Canada, whether it be in lakes or whether it be in the water supplies on mountain slopes unless and until it enters into a commercial form, which means in this context, bottled. In this situation it will not be subject to NAFTA arrangements. There is no recourse to any one of the NAFTA arbitral or dispute settlement procedures.

I do not see any reason to go beyond this at this stage. However, the government may at some future stage wish to make declarations for purposes of Canadian internal needs of this sort. However in international law we are fully protected. Our sovereign rights are fully preserved.

• (1755)

On that basis I would simply say again that I welcome the expression of sentiment by the member for Comox—Alberni. I share his views. I believe all members of the government do. I do not believe though that there is any need for any further action to be taken at this stage. I thank him again for his thoughtful intervention.

[*Translation*]

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, I listened with great interest to the hon. member for Comox–Alberni as he presented his motion. I also listened to the remarks made by his colleague opposite, the hon. member for Vancouver Quadra.

Let me read the motion over, for the benefit of those who are watching the debate:

> That, in the opinion of the House, the government should support a policy that Canada's fresh water, ice and snow will be protected so that at all times and in all circumstances Canada's sovereignty over water is preserved and protected.

It is not the first time that this issue is raised in the House of Commons. We will recall that in May 1991, Mr. Fulton, who was a member then, presented a notice of motion asking for a national water council to be established to control, among other things, all freshwater export proposals. He was not the only member involved in this debate.

In another notice of motion, the current Liberal member for Davenport suggested that, in the opinion of the House, the government should strengthen the federal water policy by tabling a bill prohibiting the export of water by tanker, through a channel, a new pipeline or by interbasin transfer.

• (1800)

Clearly, this debate is not new. In fact, it goes back such a long way that I would like to quote what the current Minister of Human Resources Development, the hon. member for Winnipeg South Centre, said in this House on Friday, May 28, 1993.

At the time, the minister was a member of the opposition. He said: "—we must afford national treatment to all goods and services. Goods are defined as having the definition given under the GATT. Article 2201 of the GATT defines natural water, including ice and snow, as a good".

He also said: "If the United States sometime in the future, next year or the year after, decides it wants to exercise its legal right as contained in the agreements to require Canada to export up to the proportion then it would supersede any policy that is now on the books".

Further on, the hon. member for Winnipeg South Centre added: "I think the very first item would be that the federal goverment make it very explicit that the present moratorium on water exports that the British Columbia government has introduced is the policy of Canada. The federal government should very clearly take an immediate position on that question".

We are now in a new Parliament. Last year, the governement, with Mexico and the United States, issued a declaration on the interpretation to be given to the terms of NAFTA. In essence, that interpretation is as follows: NAFTA does not establish any rights to the natural water resources of one of the parties. Water, as found naturally in lakes, rivers, reservoirs, aquifers, hydrographic basins, is not a good or a product, is not for sale, and consequently is not and has never been covered by the terms of any agreement. International rights and obligations concerning natural water are set forth in separate treaties and agreements, negotiated for that very purpose, such as the Boundary Waters Treaty of 1909 and the 1944 treaty signed by the United States and Mexico.

However, this joint declaration by the three countries does not mean that Canada has an overall policy regarding sovereignty over water resources.

[*English*]

In short, Canada does not possess any policy on water resource as a commodity.

[*Translation*]

Mr. Speaker, you know, as we all do, that Canada is the country with the largest fresh water resources in the world. In November 1987, the hon. Tom MacMillan, the then Minister of the Environment, announced a federal policy on water resources, clearly stating that the federal government was opposed to large–scale exports of Canadian water. The minister then introduced Bill C–156 to enact this commitment into law. But since that bill died on the Order Paper when Parliament was dissolved on October 1, 1988, we do not have a policy at this time.

According to the Constitution, jurisdiction over water resources is shared between the federal and provincial governments; in general, the provinces have jurisdiction over natural resources, including water, within their borders. However, the provinces' very wide jurisdiction over water resources within their territory is limited by the specific powers granted exclusively to the federal government, including fisheries, shipping, relations with foreign governments, federal lands, Indians, projects likely to benefit Canada in general, as well as peace, order and good government for the country.

I might add for the benefit of my constituents that, unfortunately, the federal government does not always live up to its responsibilities regarding outboard motors on certain lakes, as in the case of the unfortunate lakeside residents in Lac aux Sables. Some problems are also emerging with respect to

seaplane bases; I am, of course, talking about the people who live along the shores of Lac Saint–Augustin.

But let us get back to water as a commodity. Canada currently exports water to the U.S.; a network of canals carries the water to population centres at the Canada–U.S. border and then on to nearby communities in the U.S.

For instance, the water supply system in Coutts, Alberta crosses the border to meet local needs in Sweetgrass, Montana. Under another agreement, Gretna, Manitoba supplies Neche, North Dakota with water. Similar arrangements exist between St. Stephen, New Brunswick and Calais, Maine.

These cross–border water transportation systems are small in scale and do not require inter–basin transfers. They offer a practical way to rationalize local supply, so we are not talking about exports as such. As for exports by water tankers, the volumes contemplated at this time are insignificant.

The North American Water and Power Alliance project, developed by a Californian engineering firm, was among the major projects that attracted a great deal of attention. It would have necessitated the diversion of water from the Mackenzie and Yukon river systems, going south, through a passage in the Rockies, down to the United States, to supply southwestern states with irrigation water and produce hydro–electric power, perhaps also create waterways. But this project, fortunately, was never considered viable by the Canadian government or the American government.

Another project, namely GRAND Canal, was first submitted in 1959 and has been a focus of attention ever since. This project calls for the impounding of James Bay to collect the waters flowing from Ontario and Quebec rivers as well as the reversal of 17 per cent of their flow towards the south. Water from the Great Lakes would then be diverted to the southwestern part of the U.S. and the arid zones of Western Canada.

Simon Reisman, at the time the chief negotiator for Canada in the free trade talks with the United States, and former Quebec Premier Robert Bourassa championed this water diversion project. But opponents of the project argued that its benefits were purely theoretical and that even its economic impact could be negative.

• (1805)

In the 1985 report, the authors of the study on federal water policy pointed out that transfers between basins, like any other major water development project, cause major changes in the environment by interrupting the flow of waterways, flooding regions, transferring forms of life and even modifying conditions in the atmosphere and the oceans. The ultimate consequences of these changes are unpredictable.

We believe that federal criteria should emphasize the federal and national interests to be considered in a framework policy on the water resource. Factors to be considered would include: first, the consequences for the fisheries and navigation in federal waters, international waters and waters under more than one jurisdiction; second, international considerations of an economic, political and strategic nature; third, the possible impact on the capability of our water reserves to meet the long–term needs of Canadians and Quebecers, bearing in mind the lack of certainty about those needs and the cumulative effect of exports at the regional and national level; fourth, the impact on the environment and the economy at the regional level; fifth, the consequences for aboriginal people and other social groups and the size of compensation payments in the event of adverse effects; and finally, the general economic benefits for Canada.

How we should manage our water resources is a very timely question. It was raised this evening, and now we must decide what the answer will be.

[*English*]

Hon. Raymond Chan (Secretary of State (Asia–Pacific), Lib.): Mr. Speaker, I would like to talk about Canadian sovereignty over water.

More than any other country Canada is blessed with an abundance of fresh water. Water is a fundamental part of our heritage. It provides the basis for much of our industrial activities. Our lakes and rivers along with the snow and ice of winter provide recreational opportunities for Canadians and support a thriving tourism industry.

The preservation and protection of our water resources is a matter of vital concern to all Canadians. The issue of large scale exports of fresh water has been the subject of public debate at various times over the last three decades within Canada.

Concern has focused on proposals such as the grand canal and proposals to divert water from British Columbia to California. However, no scheme for the large scale diversion of Canadian fresh water across the border has won the support of any level of government within Canada.

More recently concern has been expressed that first the free trade agreement and then NAFTA diminish Canada's sovereignty over its water by obliging us to sell water to the United States.

I would like to make it clear that the Government of Canada considers sovereignty over our valuable water resources a fundamental principle that must and will continue to be upheld.

The Canadian government will not support any plans for the export of water through independent transfer or diversion from the Great Lakes or from any other water body.

Small scale exports such as bottled water must meet the environmental requirements of both the federal and provincial governments. Steps have been taken to ensure that Canada retains full control over the use of water in all its forms.

For example, the federal water policy approved by cabinet in 1987 provides a strong expression of Canada's intention to maintain sovereignty over its water. The federal water policy states that the government will permit no large scale water exports. It also provides for the federal and provincial governments to work together to develop a licensing return for small scale water exports.

• (1810)

To ensure federal responsibilities for environmental protection and international trade are taken into account, regarding the NAFTA it is the position of the Government of Canada that Canada's sovereignty over its water resources is in no way diminished.

Under the NAFTA Canada maintains complete discretion over the exploitation and use of its water. The NAFTA does not oblige any partners to exploit its water for commercial use, sell it to other countries or export water from its lakes or rivers. Thus Canada has no obligation to export water under the NAFTA agreement.

The NAFTA applies only to water that has entered into commerce and has become a good or a product such as bottled water or water in tanker trucks. Water packaged as beverage or in tanks is the reference in section 7 of the Canadian implementing legislation for the NAFTA.

On December 2, 1993 the governments of Canada, Mexico and the United States as parties to the NAFTA issued a statement confirming that NAFTA does not oblige any of the parties to export water. Here is what the trilateral statement has to say about water:

> The NAFTA creates no rights to the natural water resources of any party to the agreement.
>
> Unless water, in any form, has entered in the commerce and become a good or product, it is not covered by the provisions of any trade agreement, including the NAFTA. And nothing in the NAFTA would oblige any NAFTA party to either exploit its water for commercial use or begin exporting water in any form. Water in its natural state in lakes, rivers, reservoirs, aquifers, waterbasins and the like is not a good or product, is not traded, and therefore is not and never has been subject to the terms of any trade agreement.

Clearly the Government of Canada has been vigilant in protecting our precious supply of water in all its forms. I can assure the House that Canada will continue to preserve and protect its sovereignty over water resources.

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, at least I will get the last word this way.

I want to basically develop a case for the importance of water. Many of the speakers who have gone before agree this is certainly an important commodity in this country. We have to really address the question of protecting Canada's sovereignty over this water. Again it is an example of where Canada has shown leadership but needs to continue its vigilance and its leadership.

The member for Vancouver Quadra introduced some of our leadership in the law of the sea, the Great Lakes clean–up and all of those examples. However, he then closed by saying that we do not need any action. I really disagree with that comment. Action is essential to ensure this valuable resource maintains its position and that we retain our sovereignty over it.

We should not take this commodity for granted. In the future demand is going to do nothing but increase. Anybody who has gone to California might know, as the member who introduced this bill mentioned, the aquifer being drained at 50 times its replacement in California and the central U.S. is a major problem. Anyone can look at the Colorado River and see what has happened there to realize that California is short of water. California has a population of 32 million and because of that the demand for water is only going to increase. I think it is reasonable to say that the price of water will be greater than the price of oil or gas down the road some time.

Since Canada has a major supply of fresh water, it is essential for humans, for agriculture, for industry, for our future well–being that we preserve this water.

• (1815)

I would like to talk a little bit about the preservation and then what I see as being threats to the sovereignty and control of this water. It is a renewable resource but it is only renewable if it is managed properly. Groundwater is renewed by rainfall and by snow melt. It can, however, be very quickly overused and the aquifers can disappear. There are many examples where aquifers that were once very productive have gone down dramatically. I mention the central U.S. as the biggest example.

Certainly agricultural and industrial uses put a severe drain on aquifers. In many cases, permits are given without looking at the big picture. One more project is approved and then one more project and then another. No management is involved until a disaster occurs.

One of the contaminators of our water supplies is industry. It has improved a lot, but we can see what happens when we do not manage it simply by looking at the Great Lakes and what we did there.

Of particular interest to me are landfill sites. All across Canada we are implementing more and more landfills. We have the time bombs from the past that are leaching into our groundwater. We are installing new landfills but we say they are okay because we are putting liners in them. The only problem is the liners are only good for 25 years. The leachate collection system plugs up and we do not know what will happen after 25 years. Experts are now telling us that contaminants could leach from those landfill sites into our groundwater for 800 years. Cana-

dians had better take note of this and had better start managing this resource much better.

I foresee a federal umbrella organization to provide the information, the technology, the collection of that technology. The provinces would then be involved in the actual distribution of this information, with the municipalities delivering the service. We must have this organization or this resource will be lost.

We need to look at our rivers and our streams. We need to look at the protection of our watershed areas. Logging, recreation and development are having a great impact on our watersheds. Above all, I again emphasize the government's involvement in this.

We are not moving very far in this direction and I would encourage the Minister of the Environment to get involved now. I am glad the member put this forward so we can talk about water again. The last member who spoke indicated how significant he felt it was. Certainly the member from the Bloc who spoke indicated a real understanding of this as a resource.

Let us manage it then and let us not let things like pollution, sewage problems, industrial waste problems, landfill problems and the lack of planning that destroyed the Great Lakes literally and will take who knows how long to revive, happen in the future.

What are the two major problems facing Canada in 1995? They can be related to the sovereignty of water. Two things should be thought about here. Number one is the Quebec situation. One might ask how that relates to water and its sovereignty.

One thing I have heard very little talk about is the St. Lawrence Seaway and the St. Lawrence River. Who controls this waterway? Who has sovereignty over it? Is it Canada? Could it be Quebec? Could it be the U.S.? This is something that the Quebec people should be asking Mr. Parizeau and the federalists. Let us talk about this issue. Let us talk about the potential threat that the negotiations over this major seaway could have in relation to the whole issue of Quebec. I see that as being a threat.

• (1820)

Hydroelectric power could relate to water. The member from the Bloc mentioned there have been proposals for draining water from Quebec and Ontario into the United States.

The second major issue relating to this is the debt and deficit. That has already been touched on. How does that affect water sovereignty? Let me put this scenario to you.

If the Minister of Finance fails to make the necessary cuts or raises taxes causing a financial crisis, and there will be a financial crisis if he fails to deal with the problems we have right now, what might be the reaction? A great deal of our debt is held by U.S. creditors. The IMF literally becomes a receiver if Canada becomes insolvent. We have seen what happened to Mexico. That has been mentioned as well. The Americans are tough to deal with, they are hard dealers. They put on conditions and say: "You will perform this way". Mexico has lost its sovereignty because of the $50 billion bailout that Mr. Clinton arranged.

These are concerns we should be thinking about. It is fairly obvious that if our creditors decide to call their loans the one thing that 32 million people in one state in the United States need is water. It seems kind of far fetched and does not seem possible.

We have heard about inter–basin transfers but that is not possible. Fifty years ago there was a project in Alberta called Prime that I was a bit involved with. It was a plan to drain water from Alberta down to California. The idea is there, it is on the table. If we in fact do become insolvent water will be one thing that will be called for as a way to repay some of our debt. When you are in debt you really do not have much choice. I see that as a threat to our sovereignty.

In conclusion, Canada must deal with its debt and deficit. It must deal with the Quebec situation and ask about the St. Lawrence Seaway. We must not sign long term deals.

The British Columbia power situation where long term deals were signed is a good example of what happens if you sell the farm too soon. A side deal must be negotiated in NAFTA so that we will never start shipping water to the U.S. As has been pointed out although there is no obligation to start, once started there is no cutting back. It cannot be reversed. The Prime Minister promised but he did not keep that promise.

I believe we must control this resource. We are going to leave future generations a debt. Let us not leave them the loss of a valuable resource like water.

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, at a recent town hall meeting this issue was raised along with the deficit and the debt. I asked the audience that if we closed the borders to the U.S. and closed the borders to Canada so that there were no exports or imports, no exchange of goods and services, which country would last longer? Some constituents said naturally the U.S. because of its wealth, et cetera, that it is an influential superpower.

After a bit of discussion everyone in the audience agreed that Canada would last much longer. Why? Because of our resources. What is the most important resource? Water. In a way I am pleased that the hon. member for Comox—Alberni has raised this issue. It has given us a forum to debate.

I wish that the Reform Party would not use fear tactics on the Canadian people. The issue of the export of water was raised during the free trade debate. It was calmed down. Then it resurfaced during the NAFTA debate. People got an answer and

they were satisfied. Now the Reform has raised this fear tactic again.

The hon. member for Vancouver Quadra and the secretary of state quoted a statement from NAFTA that the three countries signed. I will repeat it for the Reform Party so they can pass it on to their constituents. "The NAFTA creates no rights to the natural water resources of any party to the agreement". It cannot be more clear than that. "Unless water, in any form, has entered into commerce and become a good or product" and the Secretary of State quoted the whole statement signed by Canada, Mexico and the United States. I do not know what further guarantee we want.

• (1825)

The follow–up speaker for the Reform Party compared Canada with Mexico. Again another fear tactic. Surely to goodness we do not in this House get up and compare Canada with Mexico. We have a strong Canadian dollar. It fluctuates, yes, but please do not compare the Canadian dollar with the peso.

Again, fear tactics are being used. I can assure the hon. member and I can assure Canadians that the policies we have in place do allow for the export of bottled water. What is wrong with that? We import water from Italy. We import water from France. We import water from Poland and from the U.S. They buy our water. I see nothing wrong with that.

We also have protection against re–routing rivers, et cetera. There is protection there. I do not know what further protection there could be.

The hon. member complained that the hon. member for Vancouver Quadra finished off his debate by saying that we do not need any action. He said that no action is needed at the moment because of the legislation and the agreements that are in place now. He did not say that we do not need any action. Canada is continually vigilant and it has an excellent track record in initiating and pushing multilateral treatments such as the law of the sea.

Being born and raised in Saskatchewan I appreciate the value of water. We had plenty of well water in Saskatchewan, all we wanted, but we did not have any soft water. The only soft water we could get was what we caught from rainwater and spring snow to put into the cistern. One day the children, my brothers and I, were playing with the rainwater and we wasted almost a whole barrel. When Dad came home from town you know what we got. It was the belt he sharpened his razor on and we got it across the buttocks. That is how precious soft water was in Saskatchewan at the time.

That reminds me to this day how vigilant we have to be, and the government is. Even in the Arctic. The ice caps are water. Look at what happened when the U.S. dumped its submarines in the Arctic. We know how easily the Arctic can affect the environment of the whole hemisphere.

The hon. member knows we addressed that issue when we were reviewing our foreign policy. Hopefully the committee in planning its future work will address the whole issue of water, not only water in H2O form but also water in ice form, in ice caps on the mountains, in the air, et cetera.

If all three parties in this House co–operate I do not think we need any change in our present guarantees. That does not mean we should not be vigilant. From that standpoint I thank the hon. member for raising this in the form of a private member's motion so that we could have this debate in this House.

[*Translation*]

The Deputy Speaker: My colleagues, shall we call it 6.30 p.m.?

Some hon. members: Agreed.

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

ADJOURNMENT PROCEEDINGS

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

GUN CONTROL

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, on December 14, 1994, I questioned the Minister of Justice on four orders in council concerning prohibited weapons. January 1, 1995 was the infamous date that those orders were to become effective, much to the dismay of many honest gun owners in Canada.

It is common knowledge that many Canadians are upset with the minister's gun control package. The minister is feeling the heat from his own colleagues in the Liberal caucus who are against the intrusive gun control that he promised in his announcement.

In my question I referred to two court decisions, Repa and the Queen, 1982, and Theodore Pierce Simmermon and the Queen, 1993. In both cases the presiding judge made a ruling that the weapons order was invalid because it was not subjected to parliamentary scrutiny in accordance with section 116(2) of the Criminal Code:

> The Minister of Justice shall lay or cause to be laid before each House of Parliament, at least thirty sitting days before its effective date, every regulation that is proposed to be made under subsection (1); and every appropriate committee as determined by the rules of each House of Parliament may conduct inquiries or public hearings with respect to the proposed regulation and report its findings to the appropriate House.

Recently a third case has been heard in the courts, this time in British Columbia, Regina v. Martinoff. Vancouver provincial court judge H.J. McGivern followed the decision of the Alberta case.

In December I clearly asked the minister to explain to this House why he had not complied with this section of the code. Instead of answering my question, the minister went on to tell me that the orders in council were made under section 84 of the Criminal Code which does not require the sort of procedure outlined in section 116(2).

I understand the Criminal Code very well and I know that under section 84 the minister can initiate orders in council without the inclusion of a reference to Parliament as is set out in section 116(2).

However, I do not understand how the minister can cast a blind eye to three court cases in Canada that have overruled orders in council under section 84. What is the minister scared of by bringing such orders before the House and before an appropriate committee?

The minister stated in his response to me with respect to the case in Alberta that judgment was wrong in that respect and that he will succeed in the appeal. Clearly the minister should not be making a public evaluation on a specific case if the case is in the appellate division of the court. Rather, it should be the duty of the minister to look at the various courts and make decisions and comments based on the momentum of rulings.

The Liberal government prides itself on consultation processes and discussion papers. It has produced so many of them it is running out of colours to name these papers.

The Reform Party has always promoted consultation but only if there is a conclusion to the discussion. Why is it that a government supposed to be keen on openness did not discuss the topic of prohibited weapons?

Before the parliamentary secretary scribbles down an answer to tell me that there was an emergency for the overall safety of Canada, I want to fill him in on a few of the statistics taken from a survey of causes of death in Canada.

Statistics Canada in 1992, and it is about the same now, said that 155,746 people died of diseases, 90 per cent of all deaths in Canada. For example 3,437 died in car accidents, 2 per cent of all deaths. Thirteen hundred and fifty–eight died of AIDS, .7 per cent of all deaths. Two hundred and forty–seven died of homicides caused by firearms, that is, .14 per cent of all deaths. Sixty–three died of gun accidents, .03 of all deaths.

In addition, let me point out that based on these statistics it is 336 per cent more likely that a male will die as result of a gun than will a female.

The minister needs to put his priorities in the right place. He needs to let Parliament and therefore the people who elected us as members of Parliament to evaluate if certain firearms should be banned or prohibited.

I do not have a great amount of time but I want to ask the minister several specific questions and would greatly appreciate clear and precise answers. With three court cases before him, will the minister acknowledge that these are not isolated cases but rather cases of significance and bearing and that his decision to proceed with orders under section 84 was wrong and ill fated?

When a clear procedure is outlined, why would the minister make every effort to avoid it, thus causing further complications in the courts? Why would he not even live up to the spirit and the intent of Parliament? Given that in the end broad public support and co–operation is required for gun regulations to work, why would the minister risk his whole package in the public spirit of co–operation just to prove an obscure procedural point?

Will the minister call back the orders in council and resubmit them under section 116(2) enabling wider consultation and an honest democratic process?

• (1835)

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the issue appears to stem from an interpretation of section 116 of the Criminal Code.

Through orders in council adopted pursuant to section 84 of the code, firearms may become prohibited or restricted.

It seems that in one case with which I am familiar, the case of Simmermon decided by the Alberta Court of Queen's Bench, it was ruled that these orders in council must be subjected to the procedure provided by section 116(2) of the code.

According to the section regulations made pursuant to section 116(1) must be laid before each House of Parliament at least 30 sitting days before they are to become effective so that public hearings may be conducted. It appears that the court felt that orders in council made under the authority of section 84 of the Criminal Code are also regulations adopted pursuant to section 116(1).

I understand that it is the view of the Attorney General of Alberta that this is not the appropriate interpretation and that an appeal of that Alberta Queen's Bench decision has been launched.

I was pleased to note that the Minister of Justice in his reply to the hon. member observed quite correctly in my view that orders in council made under the provisions of section 84(1) of the Criminal Code do not fall within the ambit of section 116 of the code.

The minister made his position quite clear: "Although there is a judicial decision of the trial court which holds that it is necessary even under section 84 to lay the regulations before the House, that decision is under appeal to the appellate division of the court in Alberta. We have every confidence the judgment was wrong in that respect and that we will succeed in the appeal".

Given the case is before the courts it would obviously be inappropriate to comment further other than to reaffirm our confidence that the court of appeal will rule that the making of orders in council pursuant to section 84 of the Criminal Code is not governed by the regulation making power of section 116 of the code.

BILL C–62

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, in December I asked the President of the Treasury Board for his assurance that Bill C–62, the Regulatory Efficiency Act, would not apply to the Fisheries Act or any other legislation which protects the environment. The minister replied that it is not the purpose of the bill to compromise environmental protection.

Although the proposed legislation is not intended to harm the environment, health or safety, the adoption of Bill C–62 would fundamentally alter the very structure through which regulations are both created and enforced. In other words, Bill C–62 poses a threat to what we have developed over decades in the form of national regulatory standards.

If regulation has become outdated or irrelevant, then let us change it. Apparently over the next two years 250 regulations are to be repealed and another 400 will undergo major revisions as a result of the findings in the 1992–93 regulatory review. Review of existing regulations will make the regulatory system more efficient but it will not threaten the fundamental premise of regulation making namely that regulations apply to everyone, rich and poor, regardless of influence or power.

Under Bill C–62, however, any minister would negotiate separate compliance agreements with any business or individual and replace designated regulations. It will be between the respective minister and individual applicant, not between Parliament and the Canadian public that individual agreements will be approved.

In addition, in certain cases where trade secrets are involved or if the agreements contain information which could threaten a company's competitive position, then secrecy would be invoked. Gradually then we can see how the regulatory system would change and we would face a situation over time in which there would be a standard for those who can afford law firms and consultants and another for those who cannot.

The Canadian Manufacturers' Association has stated that made to measure regulations as proposed in this bill would save, mostly to big business, over $3 billion a year. Treasury Board has pointed to these projected benefits but seems to have overlooked the cost side of the equation.

The proposed bill if enacted would lead to thousands of agreements. What will then be the cost to the public for approving, monitoring and enforcing such agreements?

In times of fiscal restraint does the government really want to establish a two–tier system of regulations based on separate negotiated agreements? Would that be in the public interest? Will approving, monitoring and enforcing thousands of individual compliance agreements further our quest for better levels of enforcement and standards?

Canadians by far prefer one regulatory system, one that applies equally to all, a regulatory system that leads to better results in the public interest. For this reason I ask whether the minister would withdraw the legislation and instead produce a white paper for public discussion.

In the meantime the Minister of Justice plans to introduce amendments to the Statutory Instruments Act very soon. The amendments are to simplify and accelerate the regulatory process and offer a better channel for achieving regulatory efficiency in an equitable and comprehensive manner.

Mr. Ronald J. Duhamel (Parliamentary Secretary to President of the Treasury Board, Lib.): Mr. Speaker, the bill is but one part of the government's overall approach to regulatory reform.

Over the past year we have been actively reviewing some 40,000 pages of regulations and moving to change hundreds of the most obsolete and problematic regulations in the next year. No longer will trains have to have spittoons, for example.

As well, we will be bringing in changes shortly to the Statutory Instruments Act that will create a more efficient and less time consuming way of developing and changing regulations. That is the second part of our plan for regulatory reform.

Bill C–62 is a third part of our program. What we are trying to do here is to create a tool for use in special circumstances only, where an individual or a company feels it can achieve the goals of regulation but wants to do so in a manner that is not exactly as laid out in a particular set of technical regulations.

We have carefully and painstakingly crafted these tools to make sure they do their job without reducing the protection that environmental or other regulations give the Canadian public. I would like to point out that the bill is one of the first pieces of process legislation ever tabled in the House of Commons that enshrines as an inviolate and absolute principle the goal of sustainable development.

It is the environmental movement, I point out, that has been at the forefront in recent years in urging governments to include sustainable development as a legislative principle. The act we are talking about explicitly does this. It says that no agreements can be approved under the act in any area whatsoever, unless it is considered with the goals of sustainable development, period.

[*Translation*]

The measures proposed in this bill are optional.

[*English*]

If the Minister of the Environment does not want to use them with respect to any set of regulations, she does not have to do anything, thereby effectively exempting those regulations from the application of the bill.

The bill is truly a democratic innovation. It will allow individuals, whether farmers, union members, taxpayers or even politicians, to force the government to examine its own regulations. From a common sense point of view it will force departments to look closely at possibly rigid, inflexible and often outdated rules to see if there is a better, cheaper and more sensible way to do things.

[*Translation*]

The Deputy Speaker: Pursuant to Standing Order 38(5), a motion to adjourn the House is deemed to have been adopted.

Accordingly, the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.43 p.m.)

Office of the
Prime Minister

Cabinet du
Premier ministre

Ottawa, Canada K1A 0A2

SPEECH BY
PRIME MINISTER JEAN CHRÉTIEN
AT THE
INSTALLATION CEREMONY
OF
GOVERNOR GENERAL
ROMÉO LEBLANC

February 8, 1995

Ottawa, Ontario

Canada

Your Excellency,

It is a great pleasure for me to offer you the best wishes of the Government, Parliament and people of Canada as you take the oath of office.

On their behalf, I would ask that your first official act be to convey to Her Majesty, the Queen of Canada, a message expressing our loyalty and affection.

I would also like to offer my warmest appreciation and thanks to your predecessor, the Right Honourable Ramon Hnatyshyn, and Mrs. Hnatyshyn, for their long and outstanding service to Canada.

Your Excellency, it is with great pride and pleasure that I welcome your assumption of office as the representative of Her Majesty.

You are the first Acadian and the first Atlantic Canadian to serve in this important position.

Two hundred years ago, your ancestors were struggling to keep a small Acadian community alive after many years of war and terrible economic hardships. They were pawns in the battles between European empires. Most of them were deported. Many of them died from hunger and disease. Several ships full of exiles sank in the ocean.

But a determined few managed to escape and return, despite the efforts of the colonial authorities to disperse them.

In the end, not only did they survive those terrible trials, but their descendants developed and flourished in this land they made their home. With exceptional courage, they preserved their culture. And they resolved to put aside old grudges and live in peace and harmony with their fellow Canadians, concentrating on what they had in common, rather than what might divide them. As we all know, it is because of them that Atlantic Canada has a remarkably rich and dynamic Acadian culture.

Today, the representative of the Head of State in Canada is a worthy descendant of this race of builders. He is an Acadian, one of the many ways of being Canadian. That is our Canadian reality.

Your installation gives us the opportunity to think about all we have achieved together in this country. It reminds us that we are a society of immigrants who, together with the First Nations, made this country what it is today. That our country's unity was built in diversity, and that this diversity is also our strength. In fact, it is a fundamental characteristic of our nation.

It also reminds us how much francophones in every part of Canada have contributed to the process of nation-building, while preserving their own culture in North America.

And it makes us proud that we have supported the development of bilingualism and Canada's linguistic duality.

The governments of which I have been a member have always made it a point of honour to protect official language minorities everywhere in Canada — francophones outside Quebec and anglophones in Quebec. I recently had the opportunity to meet with representatives of more than one million francophones living outside Quebec, and I reiterated the federal government's commitment to continue defending and promoting the rights of official language minorities across Canada.

This is one of the fundamental principles I have defended throughout my political career. And it will continue to be an important priority for the government I lead. This government will ensure that all federal institutions play a role in developing francophone communities by taking their specific needs into account.

Our country has experienced profound transformations. These changes were made in typically Canadian fashion. Quietly. Without a lot of fanfare. One step at a time. Because Canada is constantly evolving. Canada has the flexibility to be whatever we want to make of it.

Your Excellency, your term of office will see Canada enter a new millenium. Let us take the opportunity to reflect on the remarkable century that our country has experienced. And let us not be afraid to show our pride in what we have managed to build together.

From a small colony, we have become a full member of the international community. We made major contributions to defending freedom and democracy in two world wars. We invented the concept of peacekeeping, and demonstrated a commitment to peace that is unrivalled. Our business leaders, scientists, scholars, athletes and artists are internationally recognized. Canadians have won Nobel prizes and travelled in space. We have dared to dream, and we have worked together to make our dreams come true.

We have welcomed people from all corners of the earth, and shown the world how to build a peaceful, prosperous, tolerant and generous society. Our quality of life is recognized to be second to none. We are the envy of the world.

We are building Canada together on the basis of our values. Like our predecessors, we are seeking to give our country a system in which the essential conditions exist for the development of each individual. Our country may not be perfect, but we recognize that it is in a constant state of transformation.

For example, Your Excellency is very familiar with the progress achieved in your native province of New Brunswick over the last thirty years. In 1967, Premier Louis Robichaud made a determined attack on the problem of regional disparities by introducing an ambitious equal opportunity program. His economic and linguistic

reforms profoundly changed provincial institutions and initiated a process to give all citizens better educational, health care and income security services.

These reforms were continued by Premiers Hatfield and McKenna. The progress that has been achieved is remarkable and has left its mark on the community. In March 1993 the aspirations of New Brunswick's two major linguistic communities — French and English — were entrenched in the Canadian Charter of Rights and Freedoms, when they were given equal rights and privileges

Your Excellency, as a new century dawns, this example, like many others, encourages us to look forward with optimism. After a difficult recession, our economy is now demonstrating a recovery that outpaces all the other major industrial nations. We face serious challenges, but we are confronting these challenges with a renewed spirit of hope and confidence.

Your Excellency, I have had the honour to know you for many years. I have known you as a man who has not sought glory for himself, but has simply strived to serve the people of Canada.

As a teacher, journalist, Member of Parliament, Minister, Senator and Speaker of the Senate, you have demonstrated a remarkable and unwavering commitment to this country and its people. You have earned the respect and affection of your colleagues and your fellow Canadians. Your career is an example of devoted public service and a source of inspiration to all who live in this country.

On behalf of all Canadians, I thank you for accepting these new responsibilities. And I also wish to extend my thanks and best wishes to your wife and family. I know they share your devotion to public service.

Canadians sometimes find it difficult to express the pride they feel in their country. But, Your Excellency, I know you well, and I know you are not like that.

I know that you will serve Canadians well in your new position because, above all, you have a profound love for this country. And so, I wish you every success in the service of our great country, Canada.

His Excellency
the Right Honourable Roméo LeBlanc
Governor General of Canada



RIDEAU HALL

INSTALLATION SPEECH

The Senate
Wednesday, February 8, 1995

Prime Minister:

I am honoured to convey to our Gracious Sovereign, Queen Elizabeth the Second, the message of loyalty and affection you have expressed on behalf of the Canadian People. Permit me to also add a word of greeting to Her Majesty The Queen Mother. It was my privilege to meet her recently and I am pleased to report her continued deep affection for our country and her wonderful memories of the historic royal tour here in the late 1930's.

Today I accept the responsibility of being Her Majesty's representative with humility and with pride. Pride as the first Atlantic Canadian, and the first Acadian, to be called to this office and humility as I trace its history back to the first Governor of this land, Samuel de Champlain. It was Champlain who explored the waters of the Bay of Fundy and established there the Acadian presence in the new world. Isle St. Croix in 1603. And Port Royale in 1604. We Acadians have been around for a long time!

My wife Diana and I wish to thank our fellow citizens from across the country who have showered us with greetings and best wishes.

We also want to express our appreciation to the Right Honourable Ramon Hnatyshyn and to Mrs. Hnatyshyn for the kindness they have shown to us in the past two months. We salute them for their devotion to so many worthwhile causes — especially their support of the voluntary sector in Canada. We wish them every blessing in the years to come.

And, as I look out at this assembly, I want to thank all of you who have braved the winter winds to come to this place at this hour to bear witness and, I trust, to express approval as I begin my term at Rideau Hall.

Before I leave this Chamber, may I be allowed to say to my former Senate colleagues that the chair I occupied as Speaker is but a metre away from where I stand now. Yet, that metre represents a much greater distance than I had ever thought of travelling.

Prime Minister, one of Canada's famous sons, the late Marshal McLuhan, told us to think of the world as a global village. When I was a child in New Brunswick my village was my world. And next door was another world, another village. My world was French and Catholic. The next door world was English and Protestant.

On summer Sundays after early morning church when we set off to pick marsh greens, we walked slowly past other churches and wondered about people who worshipped God by singing congregational hymns in the afternoon.

The people who sang these hymns in turn wondered about us trailing down to the marshes to pick exotic plants for our supper — exotic plants like sanfire greens.

In our separate villages we lived our separate lives in our separate worlds.

Except when fire destroyed a barn. Then families with names like Cormier and Taylor worked shoulder to shoulder putting up a new one. When one family fell on hard times another family was there to help. Very often these different families did not worship at the same church or even share a common language.

But there were important things we did share. We shared the land and the forest, we shared the water. Fences separating our cows from their cows went right through the middle of springs so herds on both sides could drink from the same source.

We shared and we learned from each other. We learned from our differences. Some of us learned to savour plum pudding. Others sanfire greens.

Then there was a war! And, there, Prime Minister, as you so eloquently pointed out on the 50th anniversary of the D-Day landings, we died together. Not as English or French speaking, Easterners or Westerners, Christians or Jews, immigrants or natives, but as Canadians.

Is it any different today? I don't think so. I believe that we still learn as much from our differences as we do from our similarities.

When we only talk among ourselves all we get back are echoes. But when we talk with others of a different mind we are made to think. And it is in thinking that we learn and in learning that we grow.

But we only grow if we take the time to quietly and carefully listen to each other.

Very few of us in this country share the same past, but all of us can share the same future. Especially if we refuse to permit the past to poison that future.

If there is one group of Canadians whose past could have poisoned their future it is the Acadians. In the middle of the Eighteenth century they were wrenched from their homes and deported to distant shores.

Some managed to escape this deportation with the aid of friendly native people. But they were refugees in their own country, stripped of their land and their voting rights and then later, three years after Confederation, stripped of their schools. When it came to the Acadians, the Fathers of Confederation had nothing to say!

But the Acadians did not give up. We survived. We rallied around the church. Religious orders from the Province of Quebec founded schools that graduated our first doctors, priests, and teachers. It was my good fortune to be educated by the fathers and brothers of the Holy Cross whose vow of poverty was a reality for them and for many of their students.

Last summer some 250 years after the deportation, Acadians from as far south as Louisiana, as far west as Alberta and as close by as Quebec gathered in New Brunswick to celebrate what we have accomplished as a people.

We know that our survival was not entirely due to our own efforts. We had help from the people of Quebec and particularly the religious communities of men and women from Quebec.

Later in New Brunswick more helping hands reached out to us as our minority rights were recognized by enlightened people of the majority — people who knew that building a progressive society could not be the exclusive work of the privileged few.

These enlightened people shared the vision of Sir Wilfrid Laurier who, in the early days of this century, said this, "Our fellow-countrymen are . . . all those, whatever their race or whatever their language, whom the fortune of war, the chances of fate, or their own choice have brought among us . . . What I claim for us is an equal share of the sun, of justice, of liberty; and what we claim for ourselves we are anxious to grant to others."

This is what we Canadians offer to people who come to live with us today.

Where other countries require new citizens to renounce past allegiance to their native lands, we do not. In Canada we recognize a fact of life. People are what they have been. And what they have been is what they bring to us — an incredible richness of tradition and culture creating a unique Canadian mosaic that is a good example to the world.

We are all immigrants to this land. It's just that some of us came earlier than others. And those who came earlier were welcomed by First Nation Canadians already here for quite some time! Ever since, hopefully inspired by their example, we have welcomed others to join with us.

We do not ask new citizens to renounce their past. We do ask immigrants and refugees to be loyal to Canada and to care for Canada's heritage.

But then, what is our heritage? What is different about us?

My answer is rather simple. We have a long history of compassion.

The compassion that bound together the neighbours of my childhood is the heritage that binds us together today.

Remember last November's train wreck near Brighton Ontario and the family who took hundreds of strangers into their home? Hundreds of strangers who were bandaged, fed and comforted.

Remember the man who last month jumped into the freezing waters of the St. Lawrence — not once but twice — to rescue a woman and two little girls?

The story of this family and this man are not uncommon in Canada.

Since 1972, successive Governors General have awarded Crosses of Valour, Stars of Courage, and Medals of Bravery for acts of heroism.

But I ask a question. Are there not thousands of others who should also be decorated at Rideau Hall? Not for once-in-a-lifetime courage, but for daily courage. For monthly bravery. And yearly valour.

Walter Bagehot wrote that monarchs have three rights: the right to be consulted; the right to warn; and the right to encourage. Of these three I am most attracted by the right to encourage.

If I am to be known for anything, I would like it to be for encouraging Canadians, for knowing a little bit about their daily, extraordinary courage. And for wanting that courage to be recognized.

Let us recognize the parents who daily nurture their developmentally challenged children week-after-week, month-after-month, year-after-year. Let us recognize the children who care for parents struck down by an unrelenting illness such as Alzheimer's disease. Single parents, who, in the face of great economic and social difficulties, raise children to be successful adults.

Let us honour boat people and the communities who adopted them, the displaced persons, the refugees of this century, who came to this country with nothing but their hands and their hopes and through great effort and hard work have flourished in their adopted land.

Let us salute the people of Newfoundland, who live with the worst unemployment rates in the country, and yet have the highest rate of giving to charity.

Each one of us can add his or her own story to this very special kind of courage: stories we hear, or stories we live.

I am told that some communities in Canada already recognize such courage. I hope we can call upon their experience to build a national program that will honour the many, many thousands of our fellow citizens whose quiet daily bravery assures the care of so many among us. The care givers also need our help.

One of the benefits of such a national program is the good news it will generate. Good news about ordinary Canadians.

I hope the journalists here today will take note. Having worked as one of you I ask this of you — give good news a chance.

There is wonderful news out there and some of it you have covered magnificently. I recall the story you told us of Canadian peacekeepers in the former Yugoslavia who put down their weapons to pick up and comfort orphaned children abandoned by their shell-shocked caregivers.

This is Canadian compassion in uniform and we have seen it many times and in many places from Gaza to Cyprus to Rwanda.

Fifty years ago today the Canadian army in Europe launched its last great offensive to liberate the continent. We were fiercely proud of our armed forces then. And we are equally proud of their good deeds today.

It is for this reason that I requested that former Canadian peacekeepers be among today's guard of honour, the first guard of honour I shall inspect as Governor General.

As I begin my tenure as your Governor General I can't help thinking that when my tenure comes to an end our country, Canada, will be at the beginning of another century and a new millennium.

And so it is an appropriate time I think to hope that God who has so richly blessed us in the past will continue to so bless us in the future. May God bless all of us across this land giving us the grace of mutual understanding and of generous compassion.

HOUSE OF COMMONS

Thursday, February 9, 1995

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

FINANCE

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Madam Speaker, pursuant to Standing Order 32(2), I have the honour to table, in both official languages, a white paper entitled "Enhancing the Safety and Soundness of the Canadian Financial System".

* * *

[*Translation*]

ORDER IN COUNCIL APPOINTMENTS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I am pleased to table in the House today, in both official languages, a number of order in council appointments made recently by the government.

Pursuant to Standing Order 110(1), these are deemed referred to the appropriate standing committees, a list of which is attached.

* * *

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): While I am on my feet I am pleased to table, pursuant to Standing Order 36(8), the government's response to 12 petitions.

* * *

• (1005)

BROADCASTING ACT

Mr. Roger Gallaway (Sarnia—Lambton, Lib.) moved for leave to introduce Bill C–300, an act to amend the Broadcasting Act (broadcasting policy).

He said: Madam Speaker, it is my pleasure to introduce this bill to amend the Broadcasting Act.

In recent weeks Canadians have made it clear that they dislike intensely the policy of the CRTC in allowing cable companies to demand payment for channels which they have not ordered or authorized. The CRTC in return has said that this is a necessary evil of introducing new channels.

The bill that I have introduced today will amend the broadcast policy section of the Broadcasting Act to ensure that the CRTC no longer has any discretion in terms of necessary evils such as negative option billing. This will limit the control of cable companies over their customers, something about which Canadians have expressed strong opinions.

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

* * *

PETITIONS

VIOLENT OFFENDERS

Mrs. Jan Brown (Calgary Southeast, Ref.): Madam Speaker, I rise before this House on day four to present petition number four. These petitions are being presented on behalf of constituents who wish to halt the early release from prison of Robert Paul Thompson. April 11, 1995 is the date set for the parole hearing.

The petitioners I represent are concerned about making our streets safer for our citizens. They are opposed to the current practice of early release of violent offenders prior to serving the full extent of their sentences.

The petitioners pray that our streets will be made safer for our law–abiding citizens and the families of the victims of convicted murderers.

ASSISTED SUICIDE

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Madam Speaker, I have several petitions that I would like to present to the House.

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

CANADIAN WHEAT BOARD

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Madam Speaker, the second petition requests that Parliament consider that a very vocal minority of citizens are requesting Parliament to institute a dual marketing system for wheat and barley for export.

Therefore, the petitioners request that Parliament continue to give the Canadian Wheat Board monopoly power in marketing wheat and barley for export.

The third petition is from a similarly small but very vocal group of citizens requesting Parliament to put in place a dual marketing system for the sale of wheat and barley. They also call on Parliament to continue to grant monopoly powers to the Canadian Wheat Board.

GUN CONTROL

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Madam Speaker, the last petition I have requests that Parliament support laws which will severely punish all violent criminals who use weapons in the commission of a crime and support new Criminal Code firearms control provisions which recognize and protect the right of law-abiding citizens to own and use recreational firearms, and support legislation which will repeal and modify existing gun control laws which have not improved public safety or have proven not to be cost effective or have proven to be overly complex so as to be ineffective and/or unenforceable. The number of names on this one is quite extensive.

ASSISTED SUICIDE

Mr. Allan Kerpan (Moose Jaw—Lake Centre, Ref.): Madam Speaker, I am privileged to table in this House today four duly certified petitions on behalf of my constituents of Moose Jaw—Lake Centre.

• (1010)

The first petition is signed by 70 people and asks this Parliament to enforce the present provisions of the Criminal Code respecting assisted suicides and that no changes in the law be contemplated by this Parliament.

HUMAN RIGHTS

Mr. Allan Kerpan (Moose Jaw—Lake Centre, Ref.): Madam Speaker, I would like table the wishes of 30 people who humbly pray that this Parliament not amend the human rights code to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

RIGHTS OF THE UNBORN

Mr. Allan Kerpan (Moose Jaw—Lake Centre, Ref.): Madam Speaker, I table the concerns of 30 people who ask that this Parliament immediately amend the Criminal Code to extend protection to the unborn child.

CANADIAN WHEAT BOARD

Mr. Allan Kerpan (Moose Jaw—Lake Centre, Ref.): Madam Speaker, I would like to table the concerns of 28 people who support and request that Parliament continue to give the Canadian Wheat Board monopoly powers in marketing wheat and barley for export.

HUMAN RIGHTS

Mr. Tom Wappel (Scarborough West, Lib.): Madam Speaker, I have three petitions to present this morning.

The first is signed by over 100 citizens of Brownsburg, Arundel and Lachute, Quebec. They pray that Parliament not amend the Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the Human Rights Act to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

ASSISTED SUICIDE

Mr. Tom Wappel (Scarborough West, Lib.): Madam Speaker, from the Etobicoke region of metropolitan Toronto, 110 citizens have asked that I present a petition praying that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

YOUNG OFFENDERS

Mr. Tom Wappel (Scarborough West, Lib.): Madam Speaker, over 200 citizens have asked me to present a petition with respect to the Young Offenders Act, praying that Parliament recognize and address the concerns they have, in particular to amend the Criminal Code of Canada and the Young Offenders Act to provide for heavier penalties for those convicted of violent crimes.

ASSISTED SUICIDE

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Madam Speaker, I have the duty and privilege today of presenting a petition pursuant to Standing Order 36, sent to me by Val Lozier of Meadow Lake, Saskatchewan, signed by residents of Meadow Lake, Green Lake, Loon Lake, Makwa, Dorintosh and Rapid View, all communities in the Battlefords—Meadow Lake constituency.

The petitioners note that the majority of Canadians believe that physicians in Canada should be working to save lives, not end them. Therefore, the petitioners pray that Parliament ensure that present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

YOUTH

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Madam Speaker, I have two petitions to present today. The first has 830 signatures from constituents in my riding of Okanagan—Similkameen—Merritt.

The petitioners would like to draw to the attention of the House that the rights and authority of parents over their children have been eroded by legislation and other acts of the Government of Canada, as well as the interpretation of these laws by the courts and the Charter of Rights and Freedoms.

Therefore the petitioners call upon Parliament to return to parents, teachers and people in authority the right to exercise judicious control over the actions of children and protect the rights of people in authority to use reasonable force to modify the behaviour of children as currently set out in the Criminal Code of Canada, section 43.

They are also calling for amendments to the Young Offenders Act and the Charter of Rights and Freedoms and other acts that may apply to reinstitute the authority of law enforcement officers in dealing with children or minors.

GUN CONTROL

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Madam Speaker, the second petition adds again to the growing number of people from Okanagan—Similkameen—Merritt who are opposed to any additional gun legislation. With this petition there are 1,356 people who now call on Parliament to oppose any further legislation for firearms acquisition and possession and to provide strict guidelines and mandatory sentencing for use or possession of a firearm in the commission of a violent crime.

The people of Okanagan—Similkameen—Merritt feel that we have a crime problem, not a gun problem. I agree.

The Acting Speaker (Mrs. Maheu): I think it is time to remind members that when they are presenting petitions, adding to the prayer of the petition is considered debate. I would ask members to keep their interventions short. Even saying you agree with your petitioners is participating in debate.

• (1015)

HUMAN RIGHTS

Mr. David Chatters (Athabasca, Ref.): Madam Speaker, in accordance with Standing Order 36 I would like to present this petition from the residents of my constituency of Athabasca.

The petitioners request that Parliament not amend the Canadian Human Rights Act or the charter of rights and freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the Canadian Human Rights Act to include in the prohibited grounds of discrimination the undefined phrase "sexual orientation".

Mr. Peter Milliken (Kingston and the Islands, Lib.): Madam Speaker, I am pleased to rise today to present a petition pursuant to Standing Order 36. The petitioners call upon Parliament to amend the Canadian Human Rights Act to protect individuals from discrimination based on sexual orientation.

GUN CONTROL

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Madam Speaker, it is my honour pursuant to Standing Order 36 to table three duly certified petitions from constituents of mine.

The first one is signed by 61 residents primarily of the Assiniboia and Rockglen districts. It calls upon Parliament not to enact any further firearms control legislation, regulations or orders in council.

ASSISTED SUICIDE

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Madam Speaker, the second and third petitions are identical in content. One has 53 signatures from the Swift Current and Maple Creek districts, calling upon Parliament to ensure that the provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

The wording of the third petition is identical, also calling upon Parliament not to sanction assisted suicide. It has 32 signatures from the Coronach area.

HUMAN RIGHTS

Mr. Cliff Breitkreuz (Yellowhead, Ref.): Madam Speaker, under the provisions of Standing Order 36 I rise to present several petitions signed by constituents of my riding of Yellowhead.

The first petition asks that Parliament not amend the human rights code or the charter of rights and freedoms in any way which would indicate societal approval of same sex relationships.

RIGHTS OF THE UNBORN

Mr. Cliff Breitkreuz (Yellowhead, Ref.): Madam Speaker, the second petition prays that Parliament extend the same protection to the unborn child as that enjoyed by born human beings.

ASSISTED SUICIDE

Mr. Cliff Breitkreuz (Yellowhead, Ref.): Madam Speaker, the third petition asks that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

I am pleased to present these petitions.

* * *

QUESTIONS ON THE ORDER PAPER

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

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

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Hon. David Anderson (for the Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.) moved:

That, pursuant to Standing Order 68(4)(a), the 51st report of the Standing Committee on Procedure and House Affairs presented to the House on Friday, November 25, 1994 be concurred in.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I am delighted to rise today to participate in what really is a historic debate. It is historic not because the idea of redistribution is something that is new or that there is anything particularly novel or revolutionary about the bill that is before the House, or will be before the House as a result of today's debate, but because this is the first time in the House we have used a new procedure established about a year ago for dealing with the business of the House in allowing committees to draft and bring in bills.

The 51st report of the Standing Committee on Procedure and House Affairs contains in it a draft bill to amend the Electoral Boundaries Readjustment Act. In fact it replaces the Electoral Boundaries Readjustment Act. That bill was drafted by the members of the committee who have been working on this for some considerable period of time.

• (1020)

As chairman of the committee I am particularly pleased to be able to speak on behalf of the government House leader to propose this motion for concurrence to the House.

Adoption of this motion will constitute an order to the government to bring in a bill based on the committee's report. I am optimistic that the House will deal with this motion quickly today so that concurrence can be had. The government will then move rapidly to bring in a bill with some minor adjustments possibly in language which can then be referred to the committee once again for a detailed study and possible report to the House and action.

The purpose of this new procedure is to strengthen the role of members of Parliament in bringing their ideas to bear on policy decisions affecting legislation. The Standing Committee on Procedure and House Affairs had ample opportunity to hear witnesses put forward views on the bill that has been put before the House as part of the committee's report.

In my view the committee members worked together very well and in a very non–partisan way to come up with what in terms of our best judgment would constitute a good new set of rules governing the redistribution of electoral boundaries in Canada.

I would like to thank the members of the legislative counsel branch of the House of Commons, Ms. Diane McMurray and Mr. Louis–Philippe Côté, for their assistance in the drafting of the bill.

[*Translation*]

I would like to thank the Chief Electoral Officer of Canada, Jean–Pierre Kingsley, and his staff members, Jacques Girard and Carol Lesage, who assisted the committee in its work.

The committee was also assisted by witnesses from across Canada, who came to Ottawa in July when we spent three days discussing ideas and suggestions on redistribution. I would like to thank them because their help was invaluable.

I would like to thank more particularly the committee members who worked so hard in July and since then, reading the drafts of the report and making suggestions for improvements. My special thanks to the hon. members for Bellechasse, Calgary West and Kindersley—Lloydminster, who, together with government members, tried to find the most effective way to change this legislation.

On this side of the House, the hon. member for Ontario, the Parliamentary Secretary to the Minister of Public Works, the hon. member for Glengarry—Prescott—Russell and the hon. member for Scarborough—Rouge River also made a major contribution.

[*English*]

Our meetings were extremely productive. We worked well together and I think the report reflects that, notwithstanding the dissent of the Reform Party on two important points. I hope to deal with those in my remarks.

How did we get to this point on this issue? People ask why we embarked on a change in the redistribution act. I suggest there were several problems with the old law and those are the problems we have tried to rectify.

First, the proposed maps which came out last year just shortly after Parliament first met came with no forewarning and no opportunity provided to members of the House for input into what those maps might contain. Members of the House and some members of the public were presented with what appeared to be a fait accompli. It was done at the very opening of a new Parliament immediately following an election based on those maps. The committee has addressed this problem. There will be consultation before the first map is produced the next time.

Second, the commissions were not required to provide any justification for their proposals, although some commissions did so in any case. It was accordingly difficult, if not impossible, for members of the public and for members of Parliament to understand the rationale for the changes that were suggested or for them to make constructive ideas as to how the maps might be improved. The committee has made it plain in its report that commissions must explain the rationale behind their decisions.

● (1025)

Third, the criteria for drawing boundaries were very general. Therefore the commissions could take virtually any approach they wished and the approach could differ from one province to another.

We found it difficult as members of Parliament and as members of the public to criticize the proposals because it was almost impossible to have any standard by which those proposals could be measured. The draft bill attempts to clarify the criteria while maintaining the overall principle of effective representation.

Fourth, many members complained that the commissions made completely unnecessary changes to electoral districts just for the sake of doing a redistribution. The committee has also dealt with this matter.

Fifth, many members of the House expressed concern about the size of the House of Commons and its continuing growth. The committee studied the matter but did not recommend any particular change from the present law.

Finally, the Royal Commission on Electoral Reform and Party Financing that reported some years ago made a number of recommendations concerning redistribution which were never considered in the last Parliament.

In fact, the Electoral Boundaries Readjustment Act really has not been reviewed thoroughly in 30 years. Therefore the committee took the opportunity to look through every part of the act, to look at the recommendations of the Royal Commission on Electoral Reform and Party Financing and make a series of recommendations to this House.

The first issue I want to talk about is the cap or reduction in the number of seats in the House of Commons. Members of all parties came to this issue hoping either to cap membership or to reduce the size of the House of Commons. After very careful consideration of the matter, after hearing witnesses on this point and after reviewing the report of the commission I referred to, the majority of the members realized that a cap or reduction was simply not feasible at this time.

Under the present formula, there will be a modest growth in the House from 295 members to 301 after the next election. The difficulty with a cap or a reduction is related to constitutional problems, particularly the guarantee that no province will have fewer seats in the House than there are in the other place.

The number of senators is not equal or related to population size. It is in no way tied in with population as is representation in the House. The cap in the number of seats here would perpetuate the current inequities in representation by ensuring that the provinces which have hit their senate floor cannot go below that and the provinces that are growing would not be able to get the additional seats to which they might otherwise be entitled.

I am aware that members of the Reform Party disagree with the committee's judgment in this matter. They believe that the House could be reduced to 265 members, a significant cut from the current membership of 295. In their view that cut would not significantly jeopardize the equality of votes in this country. That is not a view that is shared by the majority members of this committee, nor does the majority believe it is what Canadians want.

In the province of Ontario most members will represent a riding of approximately 100,000 people. That is a large number of people to represent. It entails a significant volume of work and transactions with the constituents. The Canadian public would not be well served were we to increase significantly the size of ridings.

The ridings in some provinces would get much larger than those in other provinces. Without pointing to any direct examples there are some ridings in Canada that have fewer than 20,000 people in them. That is a very small riding compared with one with 100,000 although obviously the geographic difference in size may be very dramatic and indeed often is.

The difficulties of representation in a country as vast and diverse as Canada obviously are significant ones. The committee tried to grapple with that, but given that the increase was only six members it concluded this was not the time to make any change or reduction.

Many Canadians say they would like to reduce the size of the House of Commons. However when it comes to accessing a member of Parliament and finding the member available to deal with concerns or to meet with constituents, clearly the opportunities would decrease were we to increase the size of constituencies. My own view is that Canadians would find that they prefer the current set–up or something very similar to it.

In 1986 amendments were made to reduce the growth of the House of Commons. These changes reflected a balance between ensuring representation by population and the desire for a smaller House. Under the pre–1986 formula the House of Commons would have grown to almost 400 members. In comparison, the modest growth to 301 is acceptable and necessary to ensure that the growing places in Canada are well represented.

• (1030)

Given the seriousness of the issue however and the genuine interest in dealing with it, the committee recommends this whole matter of the size of the House be revisited with a goal of overcoming the barriers to a cap before the 2001 census. We will have had the benefit of the quinquennial census in 1996. We will be able to see what the growth in the population is and where the shifts have occurred.

If members in the next Parliament feel they are able to make changes to cap the House at 301 or reduce the numbers, they would be free to make that decision based on the further analysis available to them in the 1996 census.

[*Translation*]

The second problem is the method by which commission members are selected. According to the committee, there was a problem with the selection process. We heard a number of witnesses on the subject, many of whom indicated that we had a good system but there were always certain considerations, political or otherwise, involved in the selection process.

The committee decided that the process could be made far more open and recommended several changes. First of all, applications for positions will be invited by public notice. The Speaker of the House will have to consult several people before proceeding with an appointment, notice of which is to be tabled here in the House.

If members of this House do not agree with the Speaker's decision regarding these appointments and if 20 members have signed a notice of motion, a member may present a motion requesting a vote in the House on one of the appointments. The vote will be crucial, because if the majority considers the appointment is unacceptable, the Speaker must submit another name.

[*English*]

One of the problems with the way redistribution is done is that after 10 years—redistributions occur after each decennial census, one occurred in 1991 with another occurring in 2001—population growth and shifts are often very significant, resulting in large and disruptive changes to electoral districts, which started out at a reasonable size and have grown into something either very large or very small.

The committee was of the view that if there were more frequent redistributions, this problem could be ameliorated considerably. Accordingly the committee has recommended that after a quinquennial census, that is the short and more simple census that occurs every five years in between the decennial ones, a redistribution would take place within a province. There would be no reallocation of seats among provinces as happens after a decennial census, but there would be within a province a redistribution where figures warrant. We put a minimum on that.

Constituencies would have to be significantly beyond the provincial quotient before such a quinquennial redistribution would take place. By doing this we are optimistic that we will avoid these massive shifts every 10 years. It would happen in certain provinces, probably not very many, after five years. Of course the question of whether or not one occurs depends on the population shifts within the province.

The committee proposes that redistribution will only take place in principle where it is necessary to ensure effective and equal representation.

The second matter is public input and the commissions. One of the major difficulties with the current act is the process for public consultation. Our draft bill proposes a number of improvements that strengthen the role of the public in providing advice to the boundaries commissions. The first is a requirement for the publishing of a public notice at the very beginning of the process. The notice must include the following information: first, the population figures for each electoral district currently on the map; second, the percentage of deviation for each riding from the provincial quotient; and, third, a statement of how the commission plans to proceed.

• (1035)

Each commission, therefore, must issue its own policy statement announcing the principles on which it intends to act in performing its redistribution work.

[*Translation*]

The second change consists in asking the commissions to produce three maps and include their reasons for selecting these boundaries. In this way, the public will be informed of the options available. The public may take part in the commission hearings and suggest alternatives. It can indicate its preference

for one map or another, without going to the trouble of preparing its own maps. Currently members and the public have a problem because they lack the resources to prepare alternative maps for submission to the commission.

[*English*]

The third change is with respect to the public hearings. The committee was of the view that there should be an additional round of public hearings if the commission makes dramatic changes to the electoral map after soliciting public input.

The final change relates to the process that currently exists whereby there is parliamentary review of the drafts of the commissions.

As members know, following the completion of the commission's second draft, the matter may be referred to a parliamentary committee which may then pass along to the commissions its recommendations. The commissions may accept or reject the recommendations but the process is available only to members of Parliament who make their representations to a parliamentary committee.

This special procedure is being abolished in the new act. All proceedings before the commissions will be in public and there will be no particular special parliamentary input opportunity provided. We think this will make the process more open. We believe it will allow the public to participate in the process and see that there are no back door deals being made between members of the House who may have been considered to be placed in a privileged position vis–à–vis the commissions.

Clearly members of Parliament have an important say in what riding boundaries should be. There are few Canadians more interested in electoral boundaries than the members of the House. However their opportunities to participate in this process should be played out in public in front of the members of the public. We believe that will be the result of this legislation.

The draft bill contains a number of changes to the current provisions that govern how the commissions decide to draw boundaries. We have adopted the principle of the least amount of change. Many members complained that commissions recommended changes for the sake of change rather than because change was necessary.

The hon. member for Bonavista—Trinity—Conception made a presentation—it was sent to the committee and I thank him for it—to the commission in Newfoundland where there had been very minor shifts in population and yet boundaries had been altered in several of the ridings in that province when there was really no need to do so on the basis of population change. In his submission to the commission he suggested that the commission should have left the boundaries entirely alone.

We have dealt with that. In a province where there has not been significant change, where there is no increase or decrease in the number of seats and where there is no particular deviation from the provincial quotient there will not be a commission appointed.

Many people expressed concern about the open–ended way that community of interest is defined in the current act. Commissions really have a carte blanche to interpret the act the way they see fit. Therefore, we have changed the definition of community of interest in an attempt to narrow it and focus it so that it will be a better standard against which to measure the work of commissions.

The committee also heard evidence from members in growing urban areas that commissions did not take into account the fact that their riding was experiencing or was about to experience tremendous growth. Often this is measurable. Plans of subdivisions are registered; the construction is ready to proceed; and it is obvious in some ridings, particularly in the large urban centres, that within a year or two there will be another 10,000 or 15,000 people living in a particular riding.

Commissions will now be able to consider evidence about future growth when they deliberate on the drawing of electoral boundaries and adjust the boundaries accordingly.

• (1040)

The proposed bill would also remove the ability of commissions to draw electoral boundaries beyond the 25 per cent allowed variance from a provincial quotient. The current law allows a commission to draw boundaries so that a riding exceeds or is less than the provincial quotient. For example, if the provincial quotient is 100,000 people per riding, the boundaries under the current law could allow for a riding to contain less than 75,000 people or it could allow the constituency to contain more than 125,000.

This will be eliminated in the bill. We will require that if there is to be a riding created that is beyond the quotient I mentioned, the riding must be specified in the schedule to the act. In other words, the House will fix which ridings will be allowed to deviate beyond the parameters set out in the legislation. Those ridings will be named in a schedule and then the boundaries of that riding will not be touched by the commissions.

The committee was of the view that this was the fair way to deal with this issue rather than leave an extended discretion in the commissions.

There was an argument put before the committee and one on which the parties in the committee disagreed, that the 25 per cent deviation was too large. The Royal Commission on Electoral Reform and Party Financing and some of the witnesses who appeared before the committee favoured reducing the variance to 15 per cent. The Reform Party has indicated its desire to limit the variance to 15 per cent.

There is considerable merit in the suggestion from the point of view of equity and fairness in the electoral system. I will

concede that point, I respect members who have taken the view that it is the right way to go because they have strong arguments on their side. Nevertheless for large parts of rural Canada particularly a change to reduce the degree of variance from 25 to 15 per cent would result in a significant shift of seats from rural Canada to urban centres.

There is an argument made, and a very forceful argument by rural members, that the difficulties of representation in a large geographic riding with many communities that involve extensive travel between the parts of the community is more difficult than representation of a few blocks in a city core. Urban members sometimes dispute that.

I would not want to pass judgment on one side or the other. I represent a riding which is largely urban but which has a modest rural component, in the islands in particular.

Mr. Hermanson: Sitting on the fence, no slivers?

Mr. Milliken: No slivers, absolutely no slivers, to satisfy the hon. member for Kindersley—Lloydminster. I do think that there are difficulties in rural representation but there are challenges to urban representation too, of which the hon. member for Kindersley—Lloydminster is unaware. I think his riding is far more rural than many, but perhaps not all.

However I know that he will argue the other side. I want to point out that he is arguing from a position of particular strength because in the province of Saskatchewan the commissions have ignored the 25 per cent variance and have gone to a variance of something like 5 per cent. The 15 per cent would make no difference whatever in his province.

I commend the commission for Saskatchewan for having drawn boundaries this way. I remember in the last Parliament hearing a lot of complaints about the boundaries that were drawn. Those have dissipated this time because we have a new bunch of members from Saskatchewan. We got rid of the complainers and got in a new group that complain about different things. I recognize that some of them are on this side. They are not complaining at all. They are simply delighted. They are pleased with this draft bill and are going to support it. I hope that the hon. member for Kindersley—Lloydminster will share his views with them in due course.

We have decided on the 25 per cent. It is what has been in the law for some time. I submit that it is a reasonable test and standard by which we could operate. To avoid difficulties, particularly a difficulty that would be felt very keenly by rural members and by rural populations in Ontario and Quebec in particular, there is no reason at this stage to advance a change. The committee has left this at 25 and recommends it to the House.

• (1045)

In addition to the substantial changes I have outlined, the committee made a number of other changes that will make the system more efficient, including the suspension of the process should an election be called.

In the dissenting opinion of the Reform Party, members of that party argued that the changes in the act proposed by the committee did not justify the suspension of the process. That of course has already taken place and that will be complete if the bill is passed. New commissions will be appointed to operate under the new act. They will be appointed in the manner proposed in the act. They will make their proposals public in the manner proposed in the act and they will be present three maps to the public instead of one.

I do not agree with their position. The changes we have made here are substantive. They are valuable. They are a dramatic improvement of the current electoral system for the reasons I have outlined in my speech. Accordingly I disagree quite strongly with the rather negative view, in my opinion, expressed by members of the Reform Party in the dissenting report.

When they read the report in its entirety, as I know they already have and I am sure they will again, and as they hear the very reasonable remarks I am making today in encouraging them to support this matter, I know the member for Calgary West will recant his heresy and support this excellent proposal from the committee.

I am optimistic that the bill will be dealt with expeditiously. I am optimistic that we can have it in place before June 22, which is the day the old system kicks back in if we do not get a new law passed. This new law represents a good deal for Canadians. It represents a significant improvement over the existing requirements in respect of redistribution. I invite all hon. members to support it.

[*Translation*]

Mr. François Langlois (Bellechasse, BQ): Madam Speaker, I will not take the same amount of time as the member for Kingston and the Islands, since, in general, he summarized quite objectively the work of the Standing Committee on Procedure and House Affairs.

Apart from the final part of his speech, which was more of an exchange with the Reform Party than a direct statement on the report tabled, the member for Kingston and the Islands provided a very accurate description of the situation and the proposed amendments.

I would point out that the official opposition participated fully in developing the proposal, which will eventually be submitted to the House, once the report is adopted, so that we will end up with the best possible legislation. We have demonstrated the seriousness of the parliamentary work that all members of this House are called on to perform, even though the aim of our

political party is to ensure this act does not apply in Quebec and that we will not be covered by it in the next federal election. However, we took part in the committee's work and we took our job seriously.

I will come back in a few minutes, in order to complete the picture, to one or two items the member for Kingston and the Islands did not mention in his statement.

I too, of course, would like to thank the member for Kingston and the Islands, the member for Kindersley—Lloydminster and the member for Calgary West, who contributed in a generally non–partisan way to the work that, while not without its flaws, produced excellent results.

I would also like to thank those who helped us, particularly people from the office of the chief electoral officer, namely Jean–Pierre Kingsley, himself, as well as Jacques Girard and Carol Lesage, who provided incredible and ongoing assistance whenever we sought their help and cooperation. I would also thank colleagues who came to Ottawa in June and July, in the height of summer, to make representations before the Standing Committee on Procedure and House Affairs.

Where I have more of a problem with the bill that will eventually be tabled, the draft prepared by the committee, is that absolutely no discussion of miminum representation for Quebec was permitted. We ran headlong into the great wall of China in trying to discuss the question of a guarantee of 25 per cent of seats, raised by Senator Rivest when he appeared in June. The idea was that Quebec could never have fewer than 25 per cent of the seats in the House of Commons, because it would lose its power of influence over decisions being made.

• (1050)

Needless to say Senator Rivest is not known as a sovereignist, at least not from the old guard. His point of view was to a large extent taken up by my colleague, the hon. member for Mégantic—Compton—Stanstead, when he appeared before the Committee on Procedure and House Affairs in July, stating that a constitutional guarantee was required to ensure that Quebec's current 25 per cent of seats be retained regardless of possible fluctuations in its population.

We would of course like to resolve the issue of Quebec's representation in this House in an altogether different manner. But, should Quebec continue to require representation in this House, this critical mass must be recognized, and it is in this sense that all of our colleagues in the House must recognize it, as must Quebec's population in general. While commissions are currently examining Quebec's future, we have not been able to convince our colleagues to subscribe to a proposal guaranteeing 25 per cent of seats to Quebec.

We have a better understanding of the situation in which we find ourselves, that is to say, we are at a juncture where a decision must be made in Quebec between attaining sovereignty, controlling our own laws, creating our own legislation, collecting taxes and signing our own treaties or, on the other hand, becoming a member like any other in the Canadian federation. This will be the true test in the next referendum in Quebec. And Quebecers must know what system will govern them if the outcome of the referendum in Quebec is negative. We can see it already, the slightest request such as this has been denied. The need to guarantee a minimum level of representation for Quebec in the House was not acknowledged. This had to be said at this stage.

Another point made in the report tabled by the member for Kingston and the Islands pertains to so–called special ridings. Under present legislation, provincial commissions may consider special circumstances and allow for greater fluctuations in a riding's population than provincially allowed. Thus if we take the classic example of a riding with 100,000 voters, the number of voters could currently vary from 75,000 to 125,000, given the 25 per cent deviation allowed. But, as it stands, the current legislation grants provincial commissions the discretion to take special circumstances into consideration, for example, the riding of Labrador, which does not meet the electoral quotient, and Îles–de–la–Madeleine, which, as it was mentioned several times in committee, may not meet it.

This will no longer be possible in the future, since a provision stipulates that special cases will have to be listed in a schedule to the bill. For reasons which are debatable, the committee chose to adopt such a schedule blindly, that is to say ridings to be listed in the schedule were not debated in committee. This could be a valid way of doing things; we will see as we go on.

However, what the Standing Committee on Procedure and House Affairs should be doing, in my opinion, is undertaking far–reaching consultations, not just reserved for parliamentarians. It is all well and good that the hon. member for Labrador make representations, for example, that his riding be included in the schedule or that the hon. member for Bonaventure—Îles–de–la–Madeleine make representations that Îles–de–la–Madeleine recover the independent riding status it enjoyed before 1968.

• (1055)

But in my opinion, the committee should open its consultation process up to the community and allow the local population and others to state their opinions. It seems obvious that the ridings of Labrador and Îles–de–la–Madeleine should be allowed to elect a member although their populations are lower than what the act stipulates, and it may well be that, for very special reasons, people elsewhere in Canada may reasonably argue that their ridings should be listed in the schedule. For the schedule to truly reflect the wishes of the people and for the members of this

House to truly understand those wishes, the consultation process must be opened up.

If it turns out that it is impossible to hold open hearings for all members of the public to air their views—and then we would have to find some other suitable means—I suggest that we revert to the current procedure whereby provincial commissions are granted the discretion to take special circumstances into consideration. And in cases like Labrador, Îles–de–la–Madeleine, maybe Manicouagan and the Gaspé Peninsula, they should be able to allow a deviation of more than the proposed 25 per cent which has been the generally accepted criterion since 1964, when the independent commissions were created and the House stopped drawing up the electoral maps.

At any rate, we will have the opportunity to discuss this issue again before the Standing Committee on Procedure and House Affairs, and to find the best possible solution.

It was mentioned earlier that the population would be consulted more. Yes, there will be more public consultation, and that is normal because the electoral map is designed first and foremost for the people and not for the elected members of Parliament. Everyone agrees with this principle, including myself. Just as electoral laws are designed for the voters and not for the elected parliamentarians. We are the ones who must meet these criteria.

The process for designating provincial commission members was greatly improved. The process now taking place behind closed doors will be replaced with a much more open process in which the members will be appointed jointly by the Speaker of the House and the province's chief justice. There may even be a parliamentary debate if at least 20 members of this House request it. We think that opening up the process is an excellent thing.

The Standing Committee on Procedure and House Affairs discussed for several months the issue of limiting or reducing the number of members in this House. This proposal was particularly favoured by our colleagues from the Reform Party.

Basically, we agree with the proposal to reduce the number of members in this House. However, we do not look at the issue in the same way. Of course, we in the Bloc Quebecois want to cut the number of members in this House from 295 to 220, simply by removing the 75 members from Quebec who will leave this House after the referendum.

Some hon. members: Hear, hear.

Mr. Langlois: As you can see, this will free a number of seats amounting to about half of those reserved for the opposition from all parties.

There is no need to renovate the House, tear down walls or push back everything to my left or in front of you, Madam Speaker. The House will see a major change after the Quebec referendum, since half our side of the House can be used to make room for bigger desks for the other members, as they see fit. The right to self–determination also applies to Canada. Our Canadian friends will be free to refurbish this House as they see fit.

• (1100)

Quinquennial censuses will, of course, produce data allowing us to make timely changes to the electoral map much more quickly and avoid the major changes required after decennial censuses, which confuse the population. This is also a desirable improvement which was brought by the Committee on Procedure and House Affairs.

Someone said earlier that members would no longer have a say in this. I entirely agree with the fact that members—contrary to what has been the case for the past 30 years—should no longer have the last word on electoral boundaries redistribution, but until now they did have some input—and they still do since the legislation has not been amended—so that commissions were able to consider problems that might be raised by members.

I am not sure whether it is such a good idea to eliminate the right of members to comment, since they may want to make recommendations, which the commissions may or may not consider. I agree that members should not have the last say on electoral boundaries, but I would question the wisdom of not letting them intervene at all.

Of course, members can go before the provincial commissions. But would it not be a good idea to let members intervene specifically as a group, as parliamentarians, either directly or through a committee like the one on procedure and House affairs?

That being said, I simply want to remind the House that the non– partisan approach that was apparent throughout the proceedings of the Committee on Procedure and House Affairs is an indication that working through a committee like the one that tabled its report this morning can be very effective. As far as the other committees are concerned, we will have to wait and see. However, I hope we will soon see other standing committees take the same non partisan approach we have seen in the Committee on Procedure and House Affairs.

[*English*]

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Madam Speaker, it is a pleasure to speak to Motion No. 20.

On April 19 of last year this House gave a mandate to the procedure and House affairs committee to investigate the process of adjusting boundaries of electoral districts and to bring forward a bill for this House to consider. The committee was specifically mandated to formulate a cap or to reduce the number of seats in the House of Commons, to look at the

adequacy of the present method of selecting the members of the electoral boundaries commissions, to look at the rules and criteria used by the commissions to alter the boundary lines, and to review the involvement of the public and the House of Commons in the work of the boundary commissions.

Bill C–18 which received royal assent on June 15, 1994 was a serious interruption of the non–partisan electoral process. It suspended the existing Electoral Boundaries Readjustment Act. Such a move on the part of the government could only be justified, and I stress this, if it makes significant improvements or modifications to the boundary readjustment process.

There are no significant modifications proposed in this bill. That is not to say there are no improvements being proposed. Many of the smaller issues were dealt with in a very satisfactory manner. Where the government proposal falls short is on the larger issues. There are three: the size of the House, the size of population variance of the individual ridings, and the rules governing the adjustment of boundaries.

• (1105)

The positive aspects of the bill are easier to deal with in smaller numbers so I will mention them first.

First, the process of instructing a standing committee to prepare the bill has been a positive and productive exercise. Unfortunately there is a majority of Liberal members on the committee. In the final outcome they have their say. Some very good proposals were set aside because the majority was not willing to listen to other members and participants on the committee.

Particularly I would like to commend the staff of Elections Canada, Mr. Jean–Pierre Kingsley in particular, whose assistance in drafting the bill was invaluable. I would encourage this House to continue using the committee procedure that we used in the future.

It was also a pleasure to work specifically with the chair of the committee that was very fair in hearing all sides of the presentations with regard to this matter. We appreciated the involvement of the Official Opposition, although it seemed to be a bit of an academic exercise when, as my colleague for Bellechasse mentioned, its motive is to extricate itself entirely from this House. I was rather surprised to see a member of the government, the Liberal side, applauding it. I think it was the member for Etobicoke—Lakeshore applauding that. Perhaps there is a separatist on the Liberal side as well. I am not sure.

There was invaluable input by the member for Calgary West who is a constitutional expert and is very knowledgeable about the Elections Act. I appreciated his input on the committee. It was a pleasure to serve with him.

Another improvement is the redistribution of ridings within each province to occur following each quinquennial census. These mini adjustments every five years will lessen the dramatic and highly disruptive changes that have occurred in the past. The Canadian population can change drastically over 10 years. Smaller changes brought about more often are preferable to the current practice.

The government's refusal to accept the last redistribution is evidence that smaller changes are easier for people to accept. An additional bonus of a five–year distribution is a much shorter time frame for the redistribution process.

The boundary commissions will be encouraged to make the public better informed of their work and to provide alternatives to each distribution proposed. While the role and involvement of the public is increased, the influence of members of Parliament is reduced. I applaud that. If MPs have an intervention they wish to make, they are encouraged to take part in the existing public meetings. I see this change as a positive step in ensuring the boundary and readjustment process remains as politically neutral as possible.

I do not believe boundaries should be changed and preserved solely for the ease of the campaigning of the sitting member. Granted all members would like to run in an area where they have already won an election because they have developed many contacts and made many friendships during the years they represented that area. However, deliberately altering the redistribution procedure to give an incumbent MP an advantage would be a very serious breach of political ethics.

The irony of the suspension of the redistribution process is the process that was already in existence worked when MPs or members of the public were dissatisfied with the boundary commission proposal. There was already a procedure in place to have changes made to electoral maps. If the members took the time to make presentations at boundary commission hearings, they could do so.

The member for Prince George—Peace River and a number of his constituents made a presentation to the British Columbia boundaries commission. The commission considered their proposal and made alterations to the proposed constituency lines. Some of the Liberals of Ontario have done the same thing. There may not have been the need for the undemocratic Bill C–18. The Liberals panicked. That was unfortunate.

As for the process of selecting and reviewing the appointment of boundary commissioners, minor but sensible changes were made to the role and authority of the chief electoral officer, and the manner of redistribution has been clarified.

These aspects of the bill are positive. That being said, all those improvements and changes could have been made without interrupting the redistribution process and without throwing out

the $5 million worth of reports produced by the boundary commissions.

The report of the procedure and House affairs committee fails on every major issue on which it was mandated to act, namely the number of seats in the House of Commons, the population variance of the electoral districts and the priority of criteria used to determine new boundary lines.

Most Canadians want less government. Most Canadians believe there are already too many MPs. Even when presented with a workable solution that reduced the number of seats in the House, the Liberals refused to take any action as to its size. They refused to reduce the number of seats, to cap the number of seats both at the current membership of 295 and 301, as is proposed.

• (1110)

They even refused to reduce the growth of the House in the future. It seems like the Liberals were willing to put self–interest ahead of the national interest. That is truly regrettable. Their reasons for refusing to act are pretty flimsy. They claim that such a cap or reduction in the size of the House of Commons is not feasible at this time. They lack the political courage to act because they say the number of seats that would be taken away would be insignificant and could be regarded as highly disruptive.

The Liberals also quote constitutional problems in limiting the size of the House of Commons. These problems arise because of the way Senate seats are allocated. Using the House of Commons to make up for the inadequacies of the other place is unacceptable.

It is the refusal of this government like the Tories before it to reform the upper chamber so that it actually represents the provinces and regions of this country effectively that is creating the problem of uneven representation in this House. The House of Commons is supposed to be the chamber where all Canadians are represented equally.

Representation by population is the principle upon which this House is built. The upper chamber is completely ineffective in representing provincial and regional interests as a result of being unelected and unequal.

Just because the modern Senate is increasingly incompatible with the confederation of today, that is no reason to prevent this House from representing Canadians as well is it could. It would seem that the government's resistance to an improved Senate is hampering the effectiveness of this House.

It is in the best interests of all Canadians to have the House of Commons organized as efficiently as possible. If this arrangement has the additional benefit of creating pressure for a reformed Senate, that would be a bonus. We should not weaken the House of Commons by binding it to its present form, nor should we allow it to grow out of control for the sole purpose of avoiding making changes to an out of date Senate.

There is no excuse for refusing to establish a smaller House of Commons. In my own province of Saskatchewan, people would be willing to accept having fewer MPs as long as the reductions were equitable with reductions to other provinces as well.

As a matter of fact, in the province of Saskatchewan the number of provincial seats has been reduced and the public has accepted it and embraced it. Perhaps it is something that the federal government should have a look at.

If as a result of the reduction of MPs Canadians got a triple–E Senate, elected by them, accountable to them and working in their best interests instead of being partisan rubber stamps, it would make the opportunity to save taxpayers money by electing fewer MPs even more attracted to them.

I have heard that many Liberals from rural ridings in Ontario complain about the problems associated with geographically large ridings. However, I have a riding that stretches more than a four and a half hour car ride in some directions. I can say that if members are resourceful and committed to serving their constituents it is more than possible to adequately serve the needs of a large riding.

For instance, I have set up a mobile constituency office that travels around the riding to get to people who cannot get to me. We already allow extra travel allowances to members with large ridings. If as a result of a reduced House some ridings become bigger, the cost of the extra travel will hardly make a dent in the savings from having fewer members.

Modern communications technology makes more constituent contact possible. Increased use of available technology makes this possible without extended travel. I want to tell members of the House who represent urban ridings that no matter how concentrated and compact their riding is, I can fax across mine faster than they can drive across theirs.

Fewer ridings will mean that each MP will serve more constituents. Again I would argue that the modest increases in resources of a member's office either in staff or equipment is a more cost effective way of dealing with the needs of Canadians than having more members. Not only do Canadians want fewer federal politicians,but it makes good fiscal sense as well.

The Liberals are refusing to do anything about the size of the House. They took the political easy way out. They recommended that somebody else, possibly a future Parliament, do something about the growth of the House.

The time to take action is now because the problem is now. This bill is an excellent opportunity to deal with the issue. No time in the future will be any better than the opportunity we have right now. I would imagine that the Liberals in the future, if there are any, will be no more willing to deal with the problem than those in this government are now. They are simply unwilling to entertain any solution which varies from status quo thinking. Liberals simply never want to take action on anything.

Another major flaw in this legislation is that it does nothing to solve the problem of some ridings, even the ones in the same province, with varied levels of population.

• (1115)

A plus or minus 25 per cent variance means that even within the same province one constituency can have a population approximately twice as large as another. This is an unacceptable variance in voting power. I urge all members to remember that this variance is not between ridings which have suffered recent population changes that are about to be corrected. Rather, this is a starting point. This is how the commissions are allowed to set things up in the first place.

Ridings may start off with this large variance and then go through five years of population change before anything is done about it. As unequal as that may seem, this large variance will be exceeded by those ridings that will be placed into a special schedule.

The schedule ridings are exempt from the allowable quotient. If there is already a huge allowable variance available to the commissions, surely there is no need for a special schedule. Conversely, if a schedule of special cases is to be created, such a large variance is not required.

One member of Parliament can represent anywhere from fewer than 20,000 constituents to over 120,000 constituents. That is incredible and that is the starting point, if we include a schedule plus a huge variance of 25 per cent.

The reasoning behind including both is beyond the wildest dreams of the gerrymanders. If the House determines which seat should go on a schedule, it provides tremendous opportunity for biases along party lines, for biases among rural versus urban members, for the opportunity for infighting and horrible conduct on the part of MPs. The encouragement of horrible conduct on the part of members and parties is not something that I would want to see. It did not have to be there. They could have corrected this problem.

I urge all members of the House to vote against the report until this gross inequity is resolved. Having these two flaws in the bill at the same time makes a mockery of the principle of equality of voting power even within the same province. The situation is further exacerbated by the constitutional requirement to start out with unequal provincial representation.

As it is plain to see, the legislation the report recommends does nothing to guarantee or even encourage the electoral equality of Canadians. This alone is reason enough to warrant the defeat of the bill unless corrected by amendment.

The third area of weakness in the bill is the primacy it gives to community of interest over voter equity. While not stated as such, boundary commissioners are instructed to consider sociological considerations ahead of making constituencies reasonably numerically equal. That is an automatic consequence of having such a high population variant quotient.

This is a social engineer's dream. These considerations combined with overly generous variances will result in a system that represents Canadians by characteristic rather than as citizens of a specific geographic area. It is this manifestation of special interest politics that we wish to avoid.

Some of the considerations found within the definition of community of interest can and should be used to break the tie between alternative proposals with comparable voter equity. They should not be used as a primary factor in determining electoral boundaries.

As I stated in the beginning of my remarks, the minor improvements made to the redistribution process do not save the bill from its vast omissions, flaws and missed opportunities. The legislation proposed by the report in no way justifies the action taken by the government to interrupt the pre–existing process.

The actions of government members in producing the report confirm that the original motive behind Bill C–18 was crass partisan manipulation of the electoral process. Ontario Liberal backbenchers and a few from Atlantic Canada were not happy that their ridings were changed. They appeared before committee and told us that was the problem. When a party wins almost all the ridings in a province, why would it not try every trick in the book to play again on the same field?

The government motive here was to redo the last redistribution simply because the new lines were not put on the map where it wanted them to be. Some of them went down Sixth Avenue rather then Tenth Avenue.

Bill C–18 was brought in as an attempt to cover the whole operation in the guise of opening the process to improve and modernize it. This report and the lack of meaningful change it contains prove there never was a sincere intention of significant improvement or modernization.

• (1120)

Let us talk about the real crux of the matter. The problem is that the country needs reform in many areas. One of the lesser priorities is electoral reform. It is an important area, I agree, and I know my colleagues would accept that. However we need social program reform. We need reforms to the way we expend funds from this place. We need reform of our justice system. The Liberal tradition is to talk about reform but in the end to do nothing about reform. It is becoming very clear that the only

people who will really reform the country are those who bear the name Reform in their party title.

Canada has a very proud democratic tradition. Canadians deserve the best electoral system that can be provided. I assure the House that I will work for positive and constructive electoral reform. I will work for reform of the Senate. I will continue to work for a capping and a reduction of the seats in the House of Commons, not because it helps me out but because it is what Canadians want. They want action. They want real reform.

The motion the government has presented to enact the bill, a new boundary readjustment act, is not real reform. It is a matter of tinkering around the edges, a bit of cosmetics to try to cover up the fact that it did not approve of where the boundaries were drawn in the last readjustment process.

Mr. Milliken: Madam Speaker, I rise on a point of order. I regret to interrupt, but I wonder if I could seek unanimous consent of the House to revert to tabling of documents. A document that should have been tabled this morning was not and I am seeking unanimous consent to do so.

The Acting Speaker (Mrs. Maheu): Does the hon. member have unanimous consent?

Some hon. members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

ABORIGINAL AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, pursuant to Standing Order 32(2) I am pleased to table a special report on suicide among aboriginal people entitled "Choosing Life", prepared by the Royal Commission on Aboriginal Peoples, in both official languages.

GOVERNMENT ORDERS

[*English*]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

The House resumed consideration of the motion.

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister, Lib.): Madam Speaker, I would like to ask a question of the hon. member who just spoke. I begin by saying that one thing Reformers do not have is a sense of humour. Oftentimes in discussion we need a sense of humour.

I thought the hon. member across the way was alluding to the fact that they were making way for 75 Liberals on the other side of the room. That was really what my applause was: the fact that we would have 75 Liberals across the room looking directly to the rest of us on this side of the House. They would be replacing the ones who are presently there.

Somehow I seem to be confused by the convoluted discussions around what is, what is not, and what Reformers are and are not for. What are the positive aspects of the bill that he supports? They seem to have been lost in the argument.

Mr. Hermanson: Madam Speaker, I assure the hon. member that the Reform caucus has a wonderful sense of humour. We are very amused at the Liberal polka represented in this bill and in many others: one step forward, two steps backward and side–step the issue.

There are some positives in the bill or the motion that may become a bill if the government so chooses. One of the more positive aspects to which I am sure other colleagues will also refer is the selection of commissioners. There are some minor improvements in the selection of boundary commissioners. There is more consultation with members of the House. It could become less the sole jurisdiction of the Speaker to choose the two commissioners selected from the federal level. Of course the provincial selection remains unchanged.

Another positive aspect is the alternatives that will be presented to constituents. Rather than presenting one map, there is the potential of three: one preferred and two alternative maps. These are minor improvements that certainly did not justify a suspension of the process.

Other than those minor details there are more flaws and omissions. What really concerns me is the omissions and the lack of change in the bill. Had we wanted to make these minor improvements we could have done that in the form of an amendment to the bill that could have taken place while the existing process was under way.

• (1125)

What has happened is that the initial adjustment process started some time ago was interrupted by elections. In fact we have some terrible discrepancies. We now have members representing huge populations while others are representing very few Canadians. The bill does not correct that problem. It just tinkers around the edges and makes a few cosmetic changes and few minor improvements.

Mr. Harold Culbert (Carleton—Charlotte, Lib.): Madam Speaker, I have a couple of points to make and perhaps a question I would like to address to the hon. member across the way.

I listened very carefully to the comments he made. They were somewhat in depth. Being from the province of New Brunswick, one thing we found with the presentation to us shortly after coming to the House was that there was a unilateral change. There were no additional seats. There was no need for additional seats. There would still be 10 seats in the province of New Brunswick, the same as before. Yet every riding in the province of New Brunswick, according to the new proposed mapping, was to be changed.

From my perspective politically the changes in my riding would have been great. I represent my constituents. The message they brought forward to me was about why we were making changes and spending millions of dollars for the sake of change. I had to admit that in that light it made absolutely no sense to me.

I particularly wanted constituents with concerns to appear before the committee to make comments. I intentionally did not appear at that committee hearing because of the exact reasons the hon. member suggested. I did not want it to be perceived in any way that there was a political reason for making those suggestions.

The comment to me was why change for the sake of change. Because a couple of urban areas slightly increased in population, they were going to change 10 ridings in the province of New Brunswick and spend millions of dollars. This makes absolutely no sense.

I would like to address this type of issue. It occurred not only in New Brunswick but in several other provinces as well. Addressed in the bill is the criterion that we can look at it and make some sense of it from the perspective of the Canadian taxpayers who ultimately will be paying for the changes in redistributions or riding maps.

I would ask the hon. member to comment, relative to the concerns he had previously made.

Mr. Hermanson: Madam Speaker, the member for Carleton—Charlotte makes a very good point. It was raised by many MPs who appeared before the committee. If any readjustment is required in a province it creates a domino effect.

Certainly my province of Saskatchewan is very similar to New Brunswick. Many constituencies have not seen significant population change. However the fact that one or two areas have seen population change—and it is usually an urban area that grows—it means the boundaries somewhere in that province have to be redrawn. As soon as boundaries are redrawn they affect neighbouring constituencies that would have less people as a result of boundaries around the city being tightened. It affects the next one and the next one.

Once we pass our accepted variance limits and begin to draw the first boundary, in most instances the boundaries within the entire province are redrawn. It is an unavoidable problem even though maybe three-quarters of the land mass is not significantly affected by the population change. The new process will not significantly change that.

In response to the member from Etobicoke, another improvement is that readjustment will take place every five years, which may mean that changes will be a little smaller; they will not be as massive as they were in the past.

• (1130)

As soon as we begin to draw a boundary, for example if we draw a boundary around Carleton—Charlotte, it will affect neighbouring ridings and there is no avoiding that. No matter if it is every five years or every ten years we have to redraw all the boundaries in the entire province. The key then is to make those boundaries in the best possible places. That is the job of the commissioners with public input which they had in the previous legislation and which they will have in this legislation.

Again, there are some minor improvements in this legislation which allows for a little more public input and some alternatives.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I cannot resist asking a question of the hon. member for Kindersley—Lloydminster who I thought really scraped the bottom of the barrel to find complaints about the committee report.

However, I congratulate him on his speech where at least he vigorously defended the Reform Party position in respect of the two principal issues on which we disagree. I think he is picking up and harping on a subject that I know the hon. member for Calgary West will harp on when he gets on his feet. That is the bill to suspend the current redistribution system which in his heart of hearts he knows is flawed.

He realizes that many of his own members found the proposals of the commission quite unacceptable when they came out. It just so happens that he did not in his case. He knows that some of his colleagues did. I know the hon. member for Calgary West was not very happy with the proposals when they first appeared. I know that the members from British Columbia were quite unhappy with the proposals when they appeared. That was true across this House in every party where there were members from British Columbia.

I think the hon. member realizes that while he can denounce to his heart's content and look for difficulties, really he knows that the previous process was flawed and needed some repair. He must acknowledge, and I invite him to do so, that the proposals put forward in this bill are not tiddly-winks as he suggests. In fact they are significant improvements on what was there

before, particularly the appointment process for members of the commissions and particularly the requirement on the part of the commissions that they publish their proposed way of doing things in advance before they embark on map drawing. Then when they have done their map drawing they present three maps instead of one.

Surely that is a very significant improvement which cannot be ignored. It is not some minor adjustment as the hon. member is trying to suggest in his speech which I think unfairly represents the very diligent work the committee has done.

Mr. Hermanson: Madam Speaker, I suggest to the member for Kingston and the Islands that the improvement is certainly valid but certainly is not worth the $5 million of taxpayers money that was spent to suspend the process and start over again.

I would indicate to the member that I might be willing to bet my MPs trading card that his members will probably not be entirely pleased with the new boundaries as they will be drawn up next time. We will never please all the members of this House when we redraw the boundaries. It is absolutely impossible.

In closing, with regard to the other point the hon. member made, yes, members of our party were unhappy with the way the boundaries were readjusted. However we respect and are prepared to play by the rules, including the member for Calgary West.

The people from the city of Calgary who appeared before the commission and made their representations in fact saw some amendments to the electoral map that made some improvements. They used the system, made it work. It was an impartial commission that heard it. They corrected the problem. They played by the rules. The Liberals were not prepared to play by the rules. They wanted to make their own.

Mrs. Carolyn Parrish (Mississauga West, Lib.): Madam Speaker, I am rising today to speak in favour of the government motion for concurrence in the 51st report of the Standing Committee on Procedure and House Affairs regarding the electoral boundaries adjustment process.

The issue of governance is one that affects every member. As the member for Mississauga West with the second largest and possibly the most diverse riding in the country I have a keen interest in the bill before the House today which can affect my riding profoundly. It is definitely not tiddly–winks in this one.

Canada has a long tradition of fairness and compromise in dealing with the allocation of ridings in our nation. Since Confederation this House has taken extraordinary steps to ensure that such diverse areas of Canada as Prince Edward Island, Quebec and the Northwest Territories each receive special consideration. While Canada is a federation of many different cultures, ways of life and ethnic backgrounds, the ties that bind this country have from time to time been rather tenuous.

One of the most important ties we do have is a strong federal government represented by members of Parliament who are seated in this House. In order to build harmony and foster a sense of balance and fairness, we must occasionally examine and adjust the way we are governed and the method by which we choose those representatives who are seated here today. Our prime concern should be one of fairness and equity.

• (1135)

In 1900 over 80 per cent of Canada was rural and largely English or French background but we have changed rather dramatically. In 1995 we are largely urban with a huge influx of new Canadians, each with different points of view and a strong desire to participate in the new land they now call home. Yet representing this diverse population in a fair and equitable way through the redistribution of ridings remains a highly controversial issue.

In the riding of Mississauga West over 250,000 residents struggle each day to pay bills, become familiar with new customs and pursue their piece of the Canadian dream. This riding is at least the size of three average Ontario constituencies and double the entire population of Prince Edward Island, which by the way sends four excellent members to this House.

Clearly the time has come to address the challenges presented by a rapidly growing, highly urbanized area such as Mississauga West. Over 40 per cent of this riding speaks neither official language. With many of the 131 languages spoken, schools have fewer than 10 per cent English or French speaking students. This is an amazing transition in only 10 years.

As background I point to the growth patterns of the city of Mississauga in the region of Peel. Since its incorporation in 1974 Mississauga has tripled in size. Growth projections provided by city staff show a steady, planned, accurate and predictable growth pattern.

In 1974 the population was 165,000. It currently is just over 500,000. Only the recessions of 1982–83 and 1993–94 slowed a very steady and dramatic pattern of growth. This year Mississauga is Canada's ninth largest and again fastest growing city. I represent half of it.

With more than $850 million in new development we have exceeded the predictions for this year by more than $250 million, a figure which matches the pre–recession levels of growth for 1988–89. Industrial growth in 1994 was also 30 per cent ahead of the previous year.

I remind the House that these growth rates are equally common throughout the entire greater Toronto area. In the areas like Markham, Brampton and Oakville the story is very similar. New urban areas attract thousands of people annually along with new businesses and an appetite for government services, not to

mention a vocal and persistent desire for direct access to their member of Parliament.

We all know how much work it is to build new cities. Each of us knows of the struggles to fund schools, roads, parks and other aspects of infrastructure. These are the urgent and visible needs of all new communities. What are the less visible needs? Many new Canadians require a great deal of help from their federal member and his or her riding office. There is no longer a tradition of volunteer community help to fall back on, as is more common in rural areas. Urban areas tend to be more threatening, less welcoming and frankly, tougher places to fit into.

My own riding office routinely deals with over 100 phone calls per day. The majority of those involve relatively complicated questions dealing with immigration and unemployment, not to mention pertinent advice and instant solutions to all our budgetary problems.

The cultural and language problems are immense. Imagine trying to deal with at least 40 different major ethnic groups, each with special needs and problems. By now members of my staff have learned bits of language from all around the world as they try to offer friendly and efficient assistance to the best of their abilities. I actually have one staff member who is in hospital.

These are just some of the problems with monster ridings like Mississauga West. I know that as I speak each of us is thinking about our own home riding, its problems, its challenges and its special situations. In that respect we are all alike in this House, men and women trying to do the best we can in the situations we are faced with each day.

However rapidly growing areas such as York North, Ontario riding, Scarborough and Mississauga West need special consideration in dealing with redistribution. This report goes an immense distance toward meeting the needs of such high growth communities.

I draw attention to the size variable of plus or minus 25 per cent which has been discussed in this House. This provision will allow high growth areas more flexibility in establishing realistic long term boundaries. Such growth predictions and subsequent planning efforts are relatively accurate. Growth areas can be easily identified and subsequent adjustments made. There is very little risk of error, judging from past predictions and actual growth patterns.

The new electoral boundaries process will include the direction that a commission be established following each five–year mini census if more than 10 per cent of the province's constituencies vary by more than 25 per cent from the provincial average.

• (1140)

These five–year mini census adjustments further serve as a method to ensure fairness in riding sizes without changing the actual number of seats for each province. Thus an area like Mississauga West or Mississauga generally could be divided into four or five ridings, each with 25 per cent room for growth.

In effect for the first time ever we would be exhibiting good planning and a recognition of the special circumstances in which cities like Mississauga find themselves. After all, politicians serve people, not geography. Politicians work for people, not hills, mountains and fields.

In the past, growth has overwhelmed ridings such as Mississauga West which expanded from 140,000 to 250,000 people in 10 years and from 80,000 to 163,000 eligible registered voters. Ten–year adjustments are inadequate. We need to recognize that the urban residents in new communities create tremendous work while their area is expanding and establishing its roots.

Federal services do not keep pace, further adding to the burden on an MP's office. Unemployment insurance offices, Canada Post, passport centres and district tax offices cannot keep up. The flight of city dwellers to suburban areas is much quicker than the corresponding addition of new federal services to meet their demands. We know that many immigrants who currently land at Pearson airport will settle in the outskirts of urban centres where taxes, rents and services are less expensive.

The 51st report of the Standing Committee on Procedure and House Affairs regarding electoral boundaries also recognizes an often overlooked aspect to riding boundaries: communities of interest and existing municipal boundaries. In the past the gremlins of redistribution often cobbled together some fairly innovative, if convoluted, riding boundaries. Many were more representative of a pretzel than a riding. I can only speculate on the motive behind the more innovative electoral creations.

Suffice it to say the best interest of communities and of people will only be served if the riding boundaries are sensitive to communities of interest. They must recognize the cohesiveness and shared concerns of certain geographic or municipal areas.

Some proposals in the recent past had Brampton and part of Mississauga in the same riding. This may not be troubling to some people, since we know Mississauga is the gateway to Brampton, possibly the centre of the new universe as I know it, but it does create problems of a practical nature.

Think of the extra unnecessary work created in a riding that is geographically split or extremely diverse in interests, economics or lifestyle. It becomes a delicate and largely futile effort to

keep many very different areas in balance. My colleague for Bramalea—Gore—Malton knows exactly of what I speak.

The report we are debating today addresses these sensitive situations. The new guidelines also provide a greater opportunity to enhance our relationships with area municipalities, not unlike the very co–operative process under which the government's infrastructure program was developed and implemented.

Local planning staff, area residents and municipal leaders will have a far greater role and responsibility in ensuring the needs of their communities are taken into consideration long before final boundaries are decided on. MPs will not be required to make the decisions of King Solomon, with very diverse interests forcing a member to choose between one community of interest and another quite opposite one.

There is another innovation. This report specifies, as has been mentioned, that three different alternatives for each riding redistribution be presented by the electoral commission with a detailed rationale for the one they have chosen. The commission will collect and justify its preferred option, but the alternatives will be available to those who wish to raise objections for the first time ever.

This new procedure alone adds immeasurably to the empowerment of local citizens and civic officials. The hearings will then allow citizens to select another option with equal population distribution based on alternative communities of interest or geographic characteristics.

Until now the boundary setting process has been at very best something of a mystical, partisan federal rite occurring once within each decade. Now the process will be viewed as clear cut, straightforward and inclusive. The five–year review is a further refinement, reflecting the belief that expanding areas change dramatically in a short period of time and therefore need more than the current ten–year review.

Last, the report attempts to bring fairness and balance into riding redistribution. We must be fair to Canadians regardless of where they live. Each Canadian is equal in voting power to the next. Each vote should, as close as is constitutionally possible, carry the same weight as the next.

While the urban areas are growing rapidly, it is a matter of political fairness that new ridings continue to be established where the people live. This shift seems inevitable and needs to be recognized. My 250,000 constituents deserve full representation, full enfranchisement and full democratic powers.

• (1145)

The population of Mississauga West will soon reach 300,000 people yet we have only one voice in Parliament, as strong as it is. We need to approach this challenge with an open mind and a commitment to equity. It is not likely that we will ever please all Canadians regardless of our best efforts.

Some will always cling to old notions in a process that is long out of date. I understand how difficult it is to serve areas that are losing population with vast geographic areas between pockets of small populations.

The report also addresses the concerns of low population areas and rural establishments. Some ridings have tremendous historical roots dating back to Confederation. They find the idea of redistribution or expansion suspect. I am also keenly aware of the arguments in favour of certain special status cases such as Prince Edward Island. My favourite line, to the member who sits in front of me from P.E.I., is it takes eight of him to make one of me.

These exceptions to the general rule of representation by population have long served Canada's best interests. I understand that certain compromises may be necessary to ensure harmony and equity.

The time has come for all MPs to recognize that rapid growth also creates special circumstances of equal importance. The government motion for the very first time comes to grips with the growing problems in urban Canada. For the first time, it introduces five–year census adjustment rather than ten. It allows rapidly growing ridings to be set at limits 25 per cent below the provincial average to allow for expansion which will probably occur within those five years.

It stresses communities of interest as a prime criteria for drawing riding boundaries. It requires the presentation of three different options for intelligent community input on riding redistribution.

I invite all hon. members of the House, regardless of political persuasion, to consider these proposals carefully and to wholeheartedly endorse the government motion.

In conclusion, I would like to very humbly thank the committee for allowing me to join it halfway through its deliberations. I feel as though I rode in on a white charger just in time to save the large ridings from once again being subjected to the very cavalier attitude that has been prominent in the past.

The chairman has been a marvellous chairman and I really consider it a great privilege to have served on this committee.

Mr. Jim Silye (Calgary Centre, Ref.): Madam Speaker, I would like to make a comment on this bill on electoral changes. It centres more around the size of the House of Commons.

I cannot believe that the chairman of the committee in his speech said that to introduce a cap or to reduce the size of the House is not feasible because of constitutional problems. The logic that the member for Kingston and the Islands uses is that we should not address the size of the House of Commons and its

growth. He is defending the status quo and it is just an excuse for lack of leadership.

The Acting Speaker (Mrs. Maheu): I am sorry to interrupt. Your questions and comments should be directed to the previous speaker from Mississauga West.

Mr. Silye: Madam Speaker, the member for Mississauga West also defends this bill. One of the criteria that I cannot understand as a member of the committee she defends is the size of the House of Commons growing to 301 members.

The greatest classical liberal of all, Thomas Jefferson, said that government governs best that governs least. That principle has been lost.

Let us compare the state of California to Canada. The population in California is 29 million. It has 52 congressmen and two senators. It has one president and a governor. Fifty–six people run 29 million people.

Canada has 27 million people. With the Senate and the House of Commons, we have 399 people. Perhaps the member could address this. We are worried here about representing 30,000 people or 85,000 people when in the States, one congressman represent s 571,000 people. Perhaps a few more staff to help with the immigration and unemployment problems would be the solution and not to increase the size of this House.

This House should be reduced to 265 members at a max. The city of Calgary does not need six or seven MPs in the next federal election. It needs only four. More members should think like that in order to represent the city.

• (1150)

An hon. member: They might need eight Liberals but only four Reformers.

Mr. Silye: Yes, four Reformers could do the job of seven Liberals, that is right.

If we use the same proportion of representation in the United States of 85,000 to 90,000 on average, it would have 2,900 congressmen. That is how disproportionate we are. We are 10 times worse off than that country because we will not stick to the principle that a government governs best that governs least.

The Liberal Party pretends to be fiscally conscious but the very first opportunity it has—the very first bill that came up was this electoral boundaries item—to show leadership, an opportunity to lower the overhead and the cost of running government and running the country, it chooses to increase government and to cop out on constitutional reform.

I would like to know if the member could address why she favours increasing the size of the House of Commons when I know from a personal point of view, working with her on other committees, that she believes in fiscal restraint?

Mrs. Parrish: Madam Speaker, I thank the member for the compliment. He noted that I was the only Liberal he ever met who has tried to save money. Of course that is not true but it shows he has a certain bias and that is why he likes to get into exchanges with me on subjects like this one.

In the United States there is quite a difference in concentration of population. If we look at the numbers in the United States and the way its population is concentrated, its congressmen tend to be able to serve people in a more compact area. Canada, by nature, is very spread out and very diverse except for areas like Mississauga West. Generally it becomes a logistical problem.

The other thing, in my opinion, that happens in the United States is that it requires millions of dollars to get elected so only the wealthy run. Therefore, I do not know if the member would be here but I for sure would not. To suggest that many people require a prolonged campaign and require enormous election expenses ensures that only the very wealthy become elected to its representative houses.

Obviously I would like to see a cap at some point on this House. The member and I have both agree on this. However, in the democratic process that went on in the committee we talked about it, looked at it and decided it required much more study than we were able to give it at this time. I hope I have sufficiently answered the member's question.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Madam Speaker, I enjoyed listening to the hon. member's speech. I know she was fairly instrumental in one clause being included in the act and that was clause 19(2)(b)(iii). I think the member knows which one it is. It reads:

> —the probability that there will be a substantial increase in the population of an electoral district in the province in the next five years.

It is the anticipation clause which describes fast growth in a particular constituency, shrinking the boundaries around that riding to allow for growth so that we do not get these inequities in the population between ridings. It is probably a fairly good principle but it is in conflict with the principle of a number of the rural MPs who want to see their ridings remain smaller and who argue against that principle.

I wonder which principle the hon. member thinks should have precedence. Should it be the principle that we shrink the urban ridings so that there is room for growth, or should it be the principle of the urban members who would like to see the population kept closer to a variant or perhaps even see a smaller population in a rural riding so that they do not become so large geographically? These principles are in direct conflict with one

another. One or the other has to have precedence. Which one does the hon. member think should have precedence?

Mrs. Parrish: Madam Speaker, I must thank the member for pointing out something I had hoped would sneak by the rural members. He knows I was hoping it would sneak by.

I have to represent the area I live in. I also believe in representation by population wherever possible. I would be absolutely adamant in hoping, as is the Liberal way, we will come up with some sort of amicable solution wherever those boundaries touch each other. My first principle has always been representation by population, wherever it is possible. I will be defending my little clause in the bill to the death.

• (1155)

Mr. Stephen Harper (Calgary West, Ref.): Madam Speaker, I rise today also to discuss the motion of the government concerning electoral redistribution and to oppose that motion. In so doing I would like to make some complimentary comments with respect to what has transpired.

First of all, as was mentioned earlier, we had excellent support in committee and out in the field from Elections Canada. Mr. Kingsley, Mr. Girard and Mr. Lesage were very helpful to the committee. It is also necessary to mention that the electoral redistribution commissions have transacted their work quite faithfully under quite difficult circumstances during all of this and should be complimented.

I would also like to compliment the work of the chairman of the procedure and House affairs committee. This is the first time that a committee has successfully drafted a bill that we anticipate will be tabled. In spite of the fact that there were significant differences on major issues of principle, we nevertheless were able to work fairly and efficiently in the drafting of a bill and in resolution of those issues on which we were able to reach consensus.

[*Translation*]

We do not support this motion by the Committee on Procedure and House Affairs for a new electoral redistribution system, and I would like to explain why. There are several improvements in the committee's report, but there are also two major problems. First of all, the five million dollars it will cost to redo the electoral redistribution process for this census, the 1991 census, and second, the fact that the government, supported by the BQ, failed to reduce the number of members and thus the cost of maintaining the current number of seats in the House.

[*English*]

The principal reason for my opposition to this report is its failure to address correctly the issue of reducing or capping the number of seats in the House of Commons. All attempts by the Reform Party to make this an issue and to effect some change now, rather than some mythical change that supposedly will be made some time in the next century were turned down by the committee.

In addressing the question of the capping or reduction of the seats of the House of Commons, let me spend a bit of time outlining exactly what the history has been of this issue. We are all told that the House of Commons has grown from the time of Confederation. Let me review how that has occurred, the reasons for it and why it has become somewhat of a critical issue.

In 1867 there were 181 members of Parliament. Even from the beginning there were elements which encouraged growth and protected smaller provinces, either in the number of seats they had or in cases where they would lose those seats. The original formula that was in the Constitution for distribution of seats in the House of Commons was based on Quebec having a number fixed at 65 and other provinces going up or down, depending on their relationship to that number.

In addition there were changes made to that formula in 1915 to protect the seats of the very small provinces, which is senatorial clause 51(a) that we have heard some mention of earlier today.

• (1200)

Later on the formula was shifted. Quebec no longer was fixed at 65 and instead there were a fixed number of seats in the Chamber and the numbers would fluctuate depending on the relationship to the total number, although once again there were protections against loss of seats. Those amending formulae were introduced in 1943 and 1952.

All through that period, from 1867 through the various changes in 1915, 1943 and 1952 there was really only marginal growth in the House of Commons. It was a 30 per cent growth in total over that period. The primary reason for that growth was the addition of new provinces and the populating of western Canada.

Beyond that the growth of the House of Commons was actually quite marginal. Finally in 1949 there was the addition of Newfoundland.

It was really only with the formulae that came in under the Trudeau government that we began to have excessive growth in the number of seats in the House of Commons. In 1974 the Trudeau government enacted a formula which was unprecedented and which would have gone back to making Quebec a base for fixing the number of seats in the House of Commons. Instead at this time of fixing a number of seats for Quebec, Quebec was fixed at an ever increasing rate around which everything else would grow. Quebec is a province that has tended to have a stable or even a somewhat falling share of the seats. This led very quickly to a situation in which the House of Commons

would have expanded by hundreds of members within a period of only a few decades.

We grew from 264 seats in 1979 to the 295 we have today. There were additional amendments brought in, in 1985, to control this situation. Once again they still contain substantial growth elements. In particular no province is now allowed to fall below the number of seats it had in the 1970s. The only way to preserve the principle of representation by population is for the representation of large provinces to continually grow.

To review what I have said, if we look at the history we had both here and in the Senate of the growth of the number of seats over the first almost 100 years of Confederation, about 30 per cent were determined almost entirely by the growth of the country. After that period the Senate has ceased to grow and the House of Commons has expanded by 30 or 40 seats. It will expand by six in this redistribution and it will expand at that rate into the future.

What do we propose to do about this? Obviously we propose some kind of formula which would cap or reduce the number of seats in the House of Commons. The particular formula we introduced or we proposed as the Reform caucus was as follows. This was a proposal that had originally been made by the member for Kindersley—Lloydminster and was supported by the member for Calgary Centre and me.

We proposed that we establish a permanent number of seats in the House at 265. This was the number of seats that had been the case here for a long period of time, through most of the fifties, the sixties and the seventies. On top of that we proposed that there be some provision for small growth in representation.

The reason for that was very simple. The senatorial clause, section 51(a) of the Constitution, requires that no province can have fewer seats than its number of senators. That clause is distortive. It is distortive at any level of representation, whether small or large. Obviously at the number 265 it is not highly distortive and allowing for slight growth minimizes that distortion. I am talking about very slight growth.

We would have had a House under our formula of 273 seats for the next Parliament, growing at perhaps two or three seats every 10 years. We were talking about a very minimal objective.

This was opposed by the other parties for a number of reasons. I will quote a couple of them. One mentioned in the report is a reduction or freeze in the number of seats in the House of Commons would perpetuate and in some cases exacerbate inequities in representation between provinces and would further erode the principle of representation by population. Then it goes on to talk about the effect it would have on provinces losing seats.

• (1205)

Our formula would have caused virtually every province to lose seats, which was one of the reasons it was equitable. Also the statement as contained in the report is factually simply false. The formula we proposed that would give us 273 seats, a modest reduction of 10 per cent for the next Parliament, would have provided an approximation closer to representation by population than under the current formula. The reason is we removed the distortion of the grandfather clause which is far more distortive than the senatorial clause, which this House has imposed and which this House is in a position to remove.

The position that this would distort representation by population is not true. Our proposal would have improved the percentage share of seats that Ontario and British Columbia now have, the two provinces most unfairly affected by the current formula.

There were a number of other reasons given by government and Bloc members for opposing this particular formula but they were really of an entirely different nature. They were not really concerned about the mechanics of the formula or the growth of the House. They were the self-interest issues: "Canadians will miss me as their member of Parliament if I lose my seat"; these kinds of rationales.

Interestingly, very few of these rationales appeared when this motion was introduced. The principal reason we were told publicly by the government that we were suspending the commission and that we were undertaking this committee study was the concern of members of the House about the size of the House and the terrible cost that would entail.

I want to refresh the memory of the House. I could spend a good part of the time I have to refresh the memory of the House about some of the interventions that were made by various members in emphasizing that this report should cap or reduce the size of the House of Commons. I want to remind these members because we expect that when there is a vote they will have an opportunity to get up to oppose this particular motion and to stick to their principles.

The hon. member for Parry Sound—Muskoka had mentioned when we had the debate on Bill C-18 that it is not something he has heard from his constituents, that they want to expand government and have more government spending. I agree. That is why we must oppose this motion.

The hon. member for Halton—Peel said if one looks at Australia there are twice as many voters per member in that country. We are at the point where we have to make some changes. Either that or we are going to have to knock out one of

these walls. I agree. I would be interested to hear from the hon. member for Halton—Peel.

The hon. member for Nepean said: "They are talking about increasing by six the numbers of representation in the House of Commons. We know it costs at least a million dollars a year for every member of the House. I have great difficulty with how they rationalize that". I agree with that. This is once again why this report should not go through unless there are changes to cap or reduce the number of seats in the House of Commons, precisely so that we can keep those costs down.

All these problems about representation, as the hon. member for Nepean well understood, can be addressed through use of modern technology, through more efficient use of staff resources. It does not require a House of Commons that will grow to 350 seats over the next 20 or 30 years.

The hon. member for Ontario said: "Why do we need new seats? It seems that the addition of new seats flies in the face of the hard earned tax money that Canadians tell us is so hard to come by".

The Liberal member for Victoria—Haliburton proclaimed: "The cost of adding six members of Parliament is something I think the Reform Party and myself included should look very hard at. Why would we want to add that kind of money? Why would we even think in these tough economic times of adding millions of dollars to taxpayers' expenses?"

• (1210)

The Reform Party has looked at this issue, has proposed the alternative. We are looking forward to seeing what the hon. member for Victoria—Haliburton has done as he studied this issue.

The hon. member for La Prairie: "One principle is particularly important. We should not increase the number of electoral districts in Canada. Two hundred and ninety–five electoral districts for 27 million people is already too much". I agree.

The hon. member for St. Boniface, the parliamentary secretary to the minister of public works said: "Would this not be a wonderful opportunity to see whether we could do with one–quarter or perhaps one–third fewer MPs? I think Canadians would applaud such a move. It would mean significant savings". I agree with that also.

Our Reform proposal to reduce the number of seats in the House of Commons is comparatively modest. We are talking about a reduction of about 10 per cent. We could go further. If we go further there are some significant problems with the senatorial clause. It begins to become fairly distortive. That does not mean we should not do it. We should be looking at Senate reform. We should be reforming that institution. That would allow us to change the senatorial clause.

I understand the government is not prepared to do that and I understand why. It is very difficult to reduce to the kind of number the hon. member for St. Boniface proposed, but a reduction of 10 per cent is certainly achievable.

The Solicitor General said: "Since Confederation the number of seats in the House of Commons has increased steadily" as I mentioned, the number of members by now would have shot up already to more than some 340. That is something we should be considering.

The hon. member for Scarborough—Rouge River spoke quite eloquently in the committee when he said: "Three hundred and one members is not what Canadians want. They want a Parliament that works. They want to see it work with 295 members, not 301 or 310 or 320 as time goes on".

The hon. member for Waterloo said: "If we continue with the process in the longer term we are going to keep adding members to the House of Commons. Therefore time is of the essence. We have to deal with this issue very quickly. However, I will be fighting very strongly to maintain the number of members of Parliament at 295, not of course the 301 it is scheduled to go up to".

The parliamentary secretary to the minister of citizenship, the hon. Liberal member for Halifax said: "In these days when restraint is being urged on us by all fronts, should we really be considering increasing the number of members of Parliament?" I think the question indicates its own answer.

The hon. Liberal member for Hillsborough said: "All kinds of institutions are looking at holding the line, reducing numbers or not going ahead with other plans. I notice new electoral reform has just come forward in my own province. It is not the best time for us to go forward and increase seats in the House with the added costs".

The hon. Liberal member for Perth—Wellington—Waterloo said: "If we approach the population of our neighbours to the south, we will need 3,000 seats in the House of Commons".

This is another reason, as the hon. member for Calgary Centre mentioned, that we should tackle this capping issue. We do not need those numbers. We do not need to have a number of politicians which by an exponential factor exceeds the number of politicians in a state like California.

The hon. member for Algoma said: "We cannot cap the number of seats here forever, but we want to consider how quickly the number of seats rises".

Even that suggestion was not solved by the committee. Even reducing the future growth was not solved by the committee's report. It said it is an issue that should be addressed and studied, that Parliament should be seized with the issue. That was the purpose of the committee and it failed to do that.

The hon. member for Bramalea—Gore—Malton said: "Perhaps this House would operate more efficiently and effectively if there were dramatically fewer members of Parliament than at present and there were a fixed number".

The hon. Liberal member, the secretary of state for parliamentary affairs, stated his own view: "Finally, based on the existing formula, the number of seats in the House of Commons will increase from 295 to 301 as a result of the 1991 census, and that concerns me in light of current fiscal restraints".

• (1215)

I have a couple more I could mention. The hon. member for Carleton—Gloucester, a Liberal member, said:

> At this rate there will come a point in 2050 or 2090 where the Chamber will no longer be large enough to hold all the new members. It will have to be torn down and rebuilt further to make room for the extra seats that will have to be made. If you look south, they have only 100 senators for a total population of about 250 million people.

Literally dozens of Liberal members spoke in favour of what the Reform Party is proposing. We look forward to their support when the vote on this issue comes about.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I congratulate the hon. member on his speech. I have never heard such a good speech from a Reform member in this Parliament. The principal reason was that he kept quoting Liberal members. If he keeps doing that, he will soon replace his leader who does not quote Liberal members often enough. If he did I am sure he would go up in the polls instead of down.

I want to ask the hon. member a serious question. He went on at some length in his speech about the benefits of a smaller House and suggested the figure of 265. He also suggested that the way we could get away with it was by getting rid of the grandfather clause that protects certain provinces.

I wonder if he and the hon. member for Kindersley—Lloydminster, in the course of their considerations of this matter, consulted with the people of Saskatchewan. I wonder if they levelled with them and told them that if the grandfather clause were taken away that province would lose four seats and in the event of a redistribution based on population once it was done Saskatchewan would lose five seats.

Did he in his consideration of this matter advise the people of Saskatchewan through householders, other materials or public announcements that if the Reform policy were adopted that province would lose five seats? Did he advise the people of Manitoba how many seats they would lose? Did he advise the people of Newfoundland and of Nova Scotia how many seats they would lose? Did he review with members opposite in the Bloc and with other members how many seats in Quebec would be lost?

Those are the issues that have to be faced. If we are to cut the number of seats to 265, we have to face the fact that over half the provinces will lose representation in the House. Frankly I do not think the provinces are prepared to accept that, particularly the province of Saskatchewan whose numbers would be decimated in this place.

I know the member for Kindersley—Lloydminster wishes he could answer, but the hon. member for Calgary West says that Calgary does not need more MPs. I agree it does not need any more Reform MPs; it has more than enough. However Calgarians would be well served if it got some Liberal representation. Getting extra seats increases the possibility of that and he knows it.

Alberta is not getting extra seats, but I remember the outcry from British Columbia when there was talk of delaying the work of redistribution commissions. The Minister of National Revenue is from that province. There was a strong outcry against not getting the two additional seats to which it was entitled under the current arrangement to go to 301 seats.

There was an outcry from the minister. The hon. member knows that. There was an outcry from the population. There were editorials. There were telephone call-ins. There was a huge hue and cry at the thought of losing two seats.

If that is the case in British Columbia, how is it possible that the citizens of Saskatchewan would clamour for a reduction in their representation in the House by five seats? That is what members of the Reform Party are proposing in the House. If that happened and there were an election called on the basis of that kind of redistribution, I submit every Reform member in Saskatchewan would be out the window, including the very capable member for Kindersley—Lloydminster.

Can the member comment on that?

Mr. Harper (Calgary West): Madam Speaker, the whole purpose of my speech was to illustrate what citizens across the country are saying about representation in Parliament. They do not need more MPs. They do not need, in particular, as we will probably see in the bill, more MPs who say one thing when it does not matter and vote another way when the party tells them to do so.

Whether there are 14 seats in Saskatchewan or 20 or 28 is not going to make any difference if they do not represent their constituents in the House of Commons when it matters at voting time.

• (1220)

The other point is that they play little word games. People are not as stupid as some of these comments imply. People understand that under our Constitution—and some people have diffi-

culty with this—we have representation by population in the House of Commons and that the voice of Saskatchewan, whether it has 14 seats out of 301 or 12 seats out of 280 or 10 seats out of 250, is in fact the same voice. The only issue is whether it is going to cost more or cost less to have exactly the same voice.

The fact of the matter is that people realize that if no province can ever lose seats and we have rep by pop, the only way to sustain rep by pop is with a House of Commons that will expand forever. The people understand that. I do not think the histrionics in this debate will change people's understanding of that. It is unfortunate we have not tackled that issue.

If the Liberal government adopted our suggestion it would get considerable credit from the electorate in making this kind of move. We hear that from Saskatchewan, I am assured by the hon. member for Kindersley—Lloydminster, as we hear it in Alberta and as we read it in the mail we receive from across the country.

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Madam Speaker, I rise today to talk about the issue of redistribution and specifically the motion that was tabled today.

I would like to begin by congratulating the procedures and House affairs committee for the work it has done. It has done an excellent job. I am also very pleased to see the first use of a new procedure where the committee is coming forth and recommending the bill. It is a good system. It worked well in this particular case. We should see more of it in the future.

I am rising today because the issue of redistribution has a very important impact on my riding. It has a very important impact on all of northern Ontario and a very important impact on all of rural Canada. Rural Canada has challenges in terms of representation and distribution that are not necessarily faced in the same way as they are in urban Canada.

We face the issue of declining populations. We have the difficulty of large geographic areas we have to try to represent. We have the issue of how we communicate with our constituents. If we are in very small urban areas it is not difficult, but if it takes four or five hours to travel from one part of a riding to another part of a riding the issue of communication becomes very important.

We have the issue of diversity within our large northern ridings. We have the diversity of the people who live there, the diversity of the industries that exist there and the diversity of the geography, as I have mentioned. These are special challenges that people in rural Canada, people in northern Ontario, people in my riding have to face on the issue of redistribution.

There are three specific areas I would like to address. The first is the issue of capping the number of members in the House of Commons and the 25 per cent variance rule. The second is the whole idea of the public consultation process that is being introduced with this proposal. The final and very important area is the issue regarding the definition of community of interest. That is a very important concept about which I would like to talk very briefly.

On the idea of capping and the variance of 25 per cent, I believe the committee's report offers a good balance between what essentially used to exist, which was unrestricted growth of the number of seats here, and a plan that is going to allow for moderate growth.

I have been encouraged by the committee report because we have avoided a whole constitutional wrangle that could occur if we proceeded with recommendations such as those presented by the party opposite. It is not a time to be arguing about constitutional niceties; it is a time to be dealing with our economic problems. I am glad the committee has seen fit to ensure we do not have to go down that road.

When we study the ideas in this plan we should remember it is important for individual MPs to able to provide effective representation to their constituents. All of us in the House work very closely with a large number of constituents. In my case we receive around 900 phone calls a month. We get almost 100 letters a day. We have a large number of town hall meetings and have to travel over large areas.

• (1225)

All members of the House face the challenges of representing large numbers of people. An important part of what we do is to listen to our constituents, to hear their points of view and to bring them forward to the House. If we go down a road where few of us are representing an ever increasing population the basis of being able to represent constituents will be placed in jeopardy.

I am glad the report has found the balance between keeping the numbers down, which we have to do in terms of economics, and ensuring there are sufficient members to provide proper representation to individual constituents. I believe this proposal will do that.

I was also pleased to see the 25 per cent rule maintained. That is absolutely necessary for a number of reasons, the first one being geographic. There must be a geographic limit to how large a riding can get. If as members we have to travel six, eight or ten hours to go from one end of our ridings to another—and there are some ridings like that in the north—it becomes very difficult to provide proper representation. The maintenance of the 25 per cent rule will give the flexibility to take that particular issue into account.

I also believe there is an issue of needing to provide representation a bit differently in rural Canada than it is provided in urban Canada. Those challenges I pointed out previously that exist in rural Canada need to be addressed. I believe the flexibility the 25 per cent rule provides will allow that to happen.

Most important, at least as far as I am concerned, is that the 25 per cent rule and the flexibility it will allow will give us the opportunity to adhere to the community of interest guidelines in the legislation. I will talk about them in a couple of minutes.

I want to congratulate very heartily the committee on the public consultation process it has recommended in the proposed legislation. When it is implemented we will find that we have a far more effective public consultation process, certainly a far more transparent process and a more efficient process. I will touch on those three points just briefly.

First I will deal with the effective aspect. The idea that we are to have the ability to go into individual ridings or individual provinces and adjust ridings where they have gone beyond the 25 per cent rule at five–year intervals will mean we can be much more effective and much more efficient in ensuring that we have proportional representation.

It is also important the committee suggested that when the commissions go out to consult with Canadians and come back with a recommendation they are not just going to come back with an all or leave it plan. They will come forward with three specific options. The individuals who are to examine them and provide input will have a number of options before them and some basis upon which to provide their input, to have discussion and to have debate about what would be the best route to go. They are certainly recommending a transparent process.

Under this plan the positions of the two members of the commission appointed by the Speaker will have to be advertised. The Speaker will go about obtaining staff for these commissions in a very public process. Additionally Parliament will have the opportunity to examine who is chosen for those commissions and if seen fit a motion can be brought before the House to reject those individuals. We see a very transparent process being put in place.

Also in terms of transparency, under the legislation the commissions will have to tell Canadians up front the exact parameters they are to use in examining redistribution. One difficulty we found with the previous process was that the only time individual constituents became involved was after the work had all been done and it was plopped on the table.

The fact that the guidelines will be set out before the procedure is important. It will allow Canadians to have the necessary input. It is very important that the process for MPs to examine the legislation will be the same as that for the general public.

• (1230)

When there are public consultation meetings individual members of Parliament who feel a need to give representation will do so as part of the public process, not as some separate process that takes place only in this House. I am happy to see that the MPs will be participating in the same way that all other constituents will be.

I believe we are going to see some efficiencies put in place with this process. One of the most important is the fact that it says if the parameters have not been breached, if there has not been sufficient changes in population, if the variance has not gone beyond the 25 per cent rule, a commission will not be struck nor will it have to examine it.

That is a major and significant change from the way it is done right now where it is necessary to review it even if a change has not occurred. This is going to save substantial dollars for the federal government and it is going to save substantial dollars for the Canadian taxpayer. I very much support that.

I believe as well that Canadians will be very pleased with the fact that government in this instance is going to stop doing something it does not need to do. I very much support that.

The third area has to do with the issue of community interest and the fact that it is being defined very clearly in the legislation. It is absolutely critical that it be done. In Ontario, the area I am familiar with and in particular in my riding of Parry Sound—Muskoka, the lack of attention to community interest concept created a lot of difficulties with the recommendations that had been brought forward.

I would like to cite a couple of examples of how that has happened, using my own riding as a basis. One stipulation on community of interest is the local economy. My particular riding is made up of the Parry Sound district and the Muskoka district. They share in common the industry of tourism with a common market. Under the proposal that was originally tabled those two areas were going to be completely divided and the fact that they had a common industry, a common tourism market, was going to be totally ignored.

Also in terms of tradition, under community of interest it is defined that we must take into account traditional representation. In the case of my riding at the time of the next election it will have existed for half a century. That was totally disregarded in the process when the maps were struck the first time and the riding was going to be totally ripped apart and divided into three different parts. It was not in keeping with the traditions. This bill states very clearly under the community of interest clause that tradition is an important ingredient.

It also talks about the need to delineate between rural and urban Canada. In my riding of Parry Sound—Muskoka they were going to take an essentially rural area and add into it about

20,000 individuals from a metropolitan centre. We would have a riding that was no longer uniquely rural and would no longer be uniquely urban, but would be a mismatch of the two and would make things very difficult in terms of representation.

As well under community of interest they talk about natural boundaries. That is important. In northern Ontario we have many natural boundaries that need to be adhered to when we are trying to draw up a reasonable constituency, a reasonable riding.

Again in the case of Parry Sound—Muskoka it is bounded by a river on the south, a river on the north, Georgian Bay on the west and Algonquin Park on the east. Those were natural boundaries that established my riding. They did the redistribution and did not pay attention to the issue of community of interest and it was all put asunder.

I am very encouraged about the fact that we do have a very much strengthened community of interest clause in this legislation and I support that.

In conclusion, I do support this legislation because I think it finds the correct balance between trying to keep the numbers in this House down, but ensuring that there are sufficient members to provide effective representation. I support it because it provides a better public consultation process that is going to allow Canadians to have a meaningful input into the process.

Finally, I support this because the community of interest clause has been strengthened and will lead to the creation of better ridings.

• (1235)

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Madam Speaker, in listening to the member from Parry Sound, I am sure he spoke with great sincerity. He seems to be very sincere. However, I am concerned about perhaps tossing off Reform comments as constitutional niceties. He recognizes the economic need for the changes that are happening.

I am concerned that he does not appear to be recognizing the financial needs. Our country is in the worst situation it has been in ever and we have to recognize that this is one way, as Reform suggests, to reduce the number of members in this House.

We all know it costs approximately $1 million per member. I have just returned from Washington. I have met with American parliamentarians in the last week and constituents. We did speak about this. They feel that they are very adequately represented. As members know, they have over 400 representatives and 270 million people. We are looking at 10 per cent that we have.

Maybe the hon. member can perhaps explain why we would not be very concerned about the financial counterpart of this problem.

Mr. Mitchell: Madam Speaker, I thank the member for her comments. The economic concerns that the country faces are ones that we have to consider when we are taking a look at this package.

I believe that the package does that for a number of reasons. First of all, the process that it has developed is going to be a far more efficient process. It is going to save money. By simply saying that if a change has not occurred in a province, if the population has not changed or there are not the variances that are occurring in individual ridings, we will not go through the process.

That is going to save substantial dollars. That recommendation is in this bill and that is one of the reasons I support it. Second, I support it because I would be very concerned. One of the suggestions in 265. Why not go to 220? Why not go to 210? Why not go to 150?

There is an important concept here. As parliamentarians one of our roles is to represent our constituencies. If we lessen the number of members in this House to a point at which we are not able to do that, this government will become captured by the bureaucracy.

We need government controlled from this House, not from all the office buildings that surround this city. In order for this House to control this government, to control the process of government, we need sufficient members in here to be able to do that.

That is why the balance struck with this bill between keeping very minimal growth but ensuring that there are enough representatives to control government is important and in the long run will save some dollars.

Finally, if we entertain a proposal that is going to require constitutional change, that is going to require unanimous approval from all 10 provinces, that is going to be a cost that we certainly do not want to have to incur.

Mr. Brent St. Denis (Algoma, Lib.): Madam Speaker, I listened with great interest to my hon. colleague's speech today. As usual he clearly and succinctly put forth excellent arguments in support of not only this legislation but of the needs of rural Canada, particularly rural northern Ontario.

I want to ask him to speak for a moment or two more about the 25 per cent variance rule. I believe he recognizes along with me that at the best of times it is difficult to balance the needs of rural and urban Canada. We see that debate raging on the issue of gun control, the balance between urban and rural Canada.

In a perfect world rural rural residents would not pay more for gasoline. In a perfect world rural residents would have equal access to our city neighbours to health care and so on.

To take a strict definition that all Canadians regardless of where they live have one vote and only one vote in relation to their member of Parliament does not make sense when one considers that we need to balance rural and urban Canada. It has

worked very well so far, even though there are some problems. I would ask my hon. colleague, in his support for northern Ontario and other parts of rural Canada, to speak a bit more to emphasize and clarify the importance of that variance rule.

• (1240)

Mr. Mitchell: Madam Speaker, I would like to thank the hon. member for Algoma for bringing up those particular points and to emphasize the 25 per cent rule.

Like I do, the hon. member represents a riding that is in northern Ontario. We share many of the concerns that come from representing a rural part of the country and that come from representing a large geographic area.

He is absolutely right. We need the flexibility of the 25 per cent rule. It is particularly important in rural Canada. We need the flexibility that it gives. We need it in terms of geography. There are suggestions in the proposal that came forward which would make his riding—and the hon. member can correct me if I am wrong—stretch from Hudson Bay to Lake Huron with a big strip right in between. We can all picture a map of Ontario and picture what that riding would be like.

That kind of thing cannot be allowed to happen. It becomes impossible to represent a riding that would have that kind of breadth of geography. If you know the terrain and if you know how far the communities are dispersed in that area, you can see the importance of that 25 per cent rule.

One of the things that this report has considered, which the hon. member alluded to, is the whole issue of balance. We have to balance the needs of rural and urban Canada. It is not an all or nothing situation in which we do it strictly by the book and strictly by numbers and we draw lines on the map. That is not the way to do it. We have to take into account some of the special challenges which we have in rural Canada. We have to take into account some of the special needs of geography, diversity of industry and many of those things I talked about.

The hon. member is quite right in pointing out the importance of that 25 per cent variance to those of us who represent northern Ontario and for those who represent all of rural Canada.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Madam Speaker, I listened with interest to my rural colleague give his speech. I am also from a rural riding.

The motion that has been drafted by the procedures and House affairs committee in clause 19(2) says that the criteria for selecting boundaries should consider a manageable geographic size. That is what the hon. member has just argued. The very next clause talks of the probability that there will be substantial increase in the population of an electoral district in the province in the next five years. In other words, in the province of Ontario, I believe the hon. member would argue because of the size of his riding that his riding should be quite a bit less, maybe close to 25 per cent less. The problem is that his colleague from Mississauga will also suggest that her riding should be about 25 per cent less in population because she is going to experience strong growth.

They cannot have it either way. One has to take precedence over the other. I would like to know whether the hon. member thinks geographic size is the important criterion and the rural riding should be kept smaller or whether he should bow to his urban colleagues who suggest that their ridings should be shrunk to allow for expanding growth and that they should be on the low side of the variable quotient.

Mr. Mitchell: Madam Speaker, I would simply say that we in the Liberal Party balance our approach. It is not an either/or proposition. The urban member has a particular need and that will be taken into account. The rural member will have a particular need and that will be taken into account. Between those two needs we will find a balance. We will come to a solution that has components which help the one member from urban Canada and the one member from rural Canada. It is not an either/or situation.

One of the problems with members of the party opposite, and I will say this quite clearly, is they never realize that things are not black and white. There are greys out there. You can compromise. You can find a balance.

• (1245)

Mr. Mike Scott (Skeena, Ref.): Madam Speaker, I hope I will not be ruled out of order if I begin my speech by discussing principles. We do not hear much about them in this place. Sometimes we seem to forget that they are important. They are a road map for us. As Yogi Berra once said, if you do not know where you are going, you may end up someplace else.

As the Auditor General recently said somewhat less famously but no less accurately, if you do not have a clear idea what a program, law or policy is for and a clear set of criteria for evaluating it, you will not know if it has worked. Of course the Auditor General had in mind primarily the bonfire of the taxpayers, known as the federal budget. I see no less reason to apply his thoughts to the subject before us, Bill C–18.

Electoral boundaries, boy, there is a riveting topic. Bill C–18, electoral boundary reform, clause 19(2)(b)(i), there is a topic to put the manufacturers of sleeping pills into a panic. It may also seem like a topic that leaves no room for principle. It may seem like a topic to be settled in a smokefree backroom.

I take Mr. Berra's observations very seriously. I think that someone who claims not to have a political philosophy to be a

pragmatist is either a socialist trying to cover his tracks or is simply unaware of the ideas that motivate him or her.

Let us consider if electoral boundaries and in particular the provision of this act which says that in drawing those boundaries the various electoral boundary commissions shall consider "a community of interest". That is clause 19(2)(b)(i) as noted above.

Why is it in here? It is in here because of the implicit or explicit assumptions of my colleagues on the opposite bench about government. It is in here because of their assumptions about democracy. It is in here because of their assumptions about politics. It all comes down to the idea that the purpose of electoral politics is precisely to hold H.L. Mencken's famous advance auction on stolen property.

The purpose of creating ridings with a community of interest is to put people together who would have a natural tendency to combine together, to take from their fellow citizens through the political process. It is to create so to speak a level playing field for political plunder.

While this bill was being prepared I know that the members on this side of the House fought hard to get the government to change its formal definition of a community of interest. If we look at clause 19(4), we will find that the enumerated list of the elements of a community of interest is reasonably harmless by contemporary standards. Gone are the references to race and ethnicity.

By the way I certainly hope that the idea of gender segregated Senate elections is dead and buried for all time. I am not as sure as I would like to be that these ideas are gone. They may have taken out the words about ethnically or racially segregated ridings without abandoning the idea. It certainly concerns me that what we find in clause 19(4) is not exhaustive list. The commissions will consider these but they may also consider others.

There is a real danger that commissions will in practice try to create districts that are for instance overwhelmingly Indo–Canadian or overwhelmingly Chinese Canadian or whatever. I really hope they will not. I am really horrified by the idea that people can only be represented by people who look like them. I hope that no one believes that any of my colleagues are either more or less suited to represent their constituents because of the ancestry either of the members or of the constituents.

The idea that Sikhs, Indians, Chinese or Anglo–Saxons should all be segregated into one riding so as better to seize property for Sikhs, Indians, Chinese or Anglo–Saxons perhaps by electing a Sikh, Indian, Chinese or Anglo–Saxon as a member of Parliament is the most offensive particular manifestation of the notion that parliamentary ridings in principle ought to be united by people with a common interest so that they can elect someone like themselves. This suggests that people should be united in groups with people like themselves so that they can act to elect someone like themselves and really dive into the pork barrel. That is not what I think democracy is all about. That is not what I think politics is all about. And it is not how I think electoral boundaries should be drawn.

• (1250)

In my view the purpose of government is to protect the lives, liberties and property of its citizens. If we do not have a government that can fend off Atilla, we have nothing. The problem is, any government strong enough to protect our life, liberty and property from others is also strong enough to threaten them itself. This is the paradox of government and it is the solution of that paradox that has preoccupied serious political philosophers throughout time.

One of the devices that has evolved in British practice and in the Anglo–American political philosophy is voting for public officers. This is the vital point. Voting is a device for preventing government from getting too big, not a way of legitimizing what it does. The reason this is its purpose is that all citizens have the same fundamental interest: a government that respects their rights.

Canadians do not, or at least they should not step into the ballot box to commit an act of larceny against their fellow citizens. They step into the ballot box to render judgment on how well the government has protected their rights.

Back in 1964 in an apparently quixotic campaign for the U.S. presidency, Senator Barry Goldwater spoke to this issue. He would not, he said, engage in the politics of plunder. "If I am attacked for neglecting the interests of my constituents" he said, "I will reply that I understood their interests to be liberty, and in that cause I am doing all that I can".

I regard the interest of my constituents, whoever they are, as being fundamentally the same as the interests of all Canadians: a government that protects them from force and fraud and otherwise leaves them free to conduct their business as they see fit. For that, we need not communities of interest but ridings that treat all citizens as equals. That is why on behalf of my constituents and liberty I will be voting against this bill.

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Madam Speaker, in opening my own intervention I would like to record my own appreciation and those of my colleagues of the collegiality in the committee whose report is being studied here today. I value the exchange of views with the Bloc members and the Reform Party members in the committee. It was a good dialectical process and an excellent interchange of ideas. It is in that spirit that I now speak in the debate.

I was impressed by the comments by the member for Kindersley—Lloydminster and the member for Calgary West and their suggestions that the bill had failed to address what they considered the key problem, the size of the House. You will find many on this side of the House in agreement that this whole principle needs radical re–examination and change.

However we must consider the amount of constitutional amendment that may be necessary to restructure the size of the House to correspond to present sociological realities in Canada. When you consider the amount of effort involved in that and the fact that some years would be exhausted in the process, I would question whether it is right to consider this as an omnibus bill that must solve every problem of the contemporary legislature in one fell swoop. I view it rather as a single problem oriented bill addressed with a very specific purpose. In the light of present realities it has to go to another House for approval before it can be adopted.

I think it is in this sense correct to say that the matter of the size of the House is better left for another day and perhaps another committee. I see no reason why this could not be addressed within the lifetime of the present Parliament. But on this particular issue, it seems to me we have a full house of problems in terms of electoral representation.

• (1255)

I noticed in particular in the member for Kindersley—Lloydminster's address not merely reference to the size of the House but also to other principles, the issue of population variance between ridings and also what he referred to as the necessity for establishing priority of criteria in riding boundaries.

He used a term that I will return to a little later. He spoke of social engineering and this is an interesting concept. It is a Pandora's box of problems but I will return to it in a moment because it is the key of the present problem that many of us have had with the existing reports of the electoral boundaries commissions.

What troubled me when I read this latest series of 11 reports was a certain element of intellectual anarchy in those reports. There were in essence 11 different reports but there were no common criteria available.

In fact we discussed this matter with the chief electoral commissioner, an extraordinarily capable man who paid us the tribute of being very direct and forthright in his response to our questions. It was established that the commissions had not consulted with the chief electoral commissioner in terms of guidance as to past practice or as to criteria that should govern the exercise of the discretionary role conferred upon them by the existing law.

This is, in a certain sense, rather strange. It illustrates the wide variance, if not dissidence, in what we might call the operational philosophy governing the members of these individual commissions. When I look at the commissions I see a certain limited functional efficacy in the members of the commissions in terms of their training.

I would hate to say this in terms of a profession that I have also shared in, but there are too many people from one profession. There are far too many professors. It may be argued that the professors already have an honourable role in our society. They are the source of the ideas, but should they be making the choices? Would it not have been better to have had the professors retained as advisors on technical points but the actual decision making role conferred on commissions representing a broader spectrum of society?

This is one of the issues discussed in the present bill reported by the committee. The present bill attempts to address this problem by establishing a new process of appointment that should ensure wider representation of the larger community, a wider spread if you wish of experience among them.

The second thing that troubled me when I looked at these 11 reports was the lack of reasons. Here we have officials not elected in any way, non–elected officials appointed by prerogative power but exercising enormous discretionary powers.

That, as very well known to students of administrative law, is the real problem in modern government. It is the use or abuse of discretionary power by non–elected officials. There are ways of tethering discretion and making it operationally useful.

One of these is to require bodies when they exercise a power to spell out the reasons for doing it. When I look at these reports I find absence of reasons. Why did they do this? Why did they do that? One has to guess and that is where one comes back to the point that the member for Kindersley—Lloydminster made, social engineering.

It is very easy to go on an ego trip of one's own in exercising discretionary power of this sort. It is also very easy for the wrong reasons to attribute illicit motives and to say that is a politically colourable choice that has been made.

The correction of this is to state the reasons. The extra advantage in that is where the criteria are spelled out in the individual reports. They are then subject very easily to judicial review and judicial correction.

• (1300)

One of the problems in Canada is that we do not entrust to our Constitution the spelling out of the basic principles of what is constituent power. Constituent power is prior to constitutional power. It is the fundamental starting point of a democratic society; constituent power, how the government is created, how its members are elected.

Modern constitutions, ours is a 19th century constitution, write these elements directly into the constitutional charter. More than that, they spell out the principles and more than that they have actively functioning courts, constitutional courts of a specialized nature or general supreme courts with a massive jurisprudence in which these principles are ensured not only in their respect in the letter but also in their creative adaptation to problems of modern society.

The transformation of the United States from a privileged society in which the franchise was severely restricted, not simply on racial grounds but on social grounds, has been massively assisted by the role of the United States Supreme Court and judicial interpretation. This is something basically absent in Canadian society. It is something that we must have established in the future.

Therefore, I think it is a legitimate objection. One of the things that concerned me most in reading these reports was that there were discretionary powers but no clear criteria spelled out as to how the discretion was exercised. There was obviously an enormous variation when one studied the empirical material from one provincial commission to another. It recalls what was said of Lord Chancellor Eldon in another context, that equity, which he was charged with administering, was as long as the chancellor's foot. It is this element that the present bill, as reported by the committee to the House, aims to correct.

I could be more specific in terms of referring particularly to the report of the commission as it affects my home province of British Columbia. It troubles me, with the obvious population increases in the Fraser River Valley, that there is no extra seat there. It is obtained by rearranging crowded inner city boundaries where there is very little population change. They are simply accumulating them and producing an extra seat. What is the reason for this?

This is what leads to interesting speculation. I think the answer is that it is probably somebody's particular concept of social engineering which they have not spelled out, which I could guess at, but which I think properly in the constitutional processes courts should be able to examine and to correct.

I come back to some of these issues because the hon. member for Kindersley—Lloydminster very correctly in his address to the House this morning spoke of the need to establish priority of criteria. We would have to say that the criteria themselves have to be spelled out. It is difficult to establish them in any hierarchical order. Most countries with statutes or constitutional principles touching this area recognize that there is a certain element of antinomy or contradiction between some of the principles. There is a creative choice that commissioners or a judge exercising judicial review must make. The key element we demand of the person exercising the discretion is to say which criteria they prefer to others and why that criteria. Is it a rational choice or is it something, as I have said, as long as the chancellor's foot?

We have not gone as far as the United States Supreme Court. One would wonder if we have reached the stage where Mr. Justice Brennan referred with approval to a concept of benign discrimination when asked if the notion of benign discrimination permissible because it is cast in a remedial context with respect to a disadvantaged class rather than in a setting that aims to demean or insult any racial group.

● (1305)

It is an interesting concept. It is certainly part of American social history and in the context of the United States Supreme Court no doubt a justifiable decision.

In terms of what we are doing one of the things we would have to stress in a country that stresses the parliamentary system as distinct from the American congressional system and the division of powers is the special relationship of a member of Parliament to his or her constituents.

There is a relationship of confidence that is built up in going door to door in an election campaign, a very moving experience, but a relationship of continuing trust in handling the problems of constituents as they arise over a period of time. What struck me again in the reports of these commissions was a certain cavalier disregard for the principle of continuity of representation. It is a constitutional value. It is closest of all to that philosopher whom the opposition parties are fond of quoting, Edmund Burke. I do not want to go into Edmund Burke's special features but at least the notion of the closeness, the responsibility of a member to the electorate.

The starting point of any electoral commission in Canada under the parliamentary system must be respect for the principle of continuity. Where we displace that it must be for reasons that we are prepared to spell out, population shifts to be sure. The criteria that the committee has offered in its report give us guidelines that were not there before in any adequate measure. I would have wished them to go further and I will note simply that I have made suggestions in the committee for further tightening up this area, rendering the criteria more precise.

I was supported I believe by the Reform Party and the Bloc but I was not able to persuade a majority. I go along happily with a majority decision. In this area the criteria must be spelled out.

One of the things we have tried to do is recognize this concept of community of interest. Canada is the society of the 21st century, as somebody said quite recently. I think it is true. We have established a special notion of Canadian culture, a community of communities in a phrase which a former Prime Minister of another political party used without citing its original source. This happens quite a good deal. The phrase was used by Martin Buber, an Austro–Hungarian by birth but who became a philosopher in the new state of Israel and developed the theory to explain and put forward a special relationship between the

Jewish majority and Arab citizens, the concept of the community of communities.

What strikes me in the urban seats in this country when I look at them across the electoral map is that we have historically come to it perhaps by accident in many cases, but the history is there. We have recognized this notion of community of communities. I embrace with pleasure the fact that my own constituency has 22 different communities within it and that to win a nomination and to win a majority in an election one must put together a platform, an approach consistent with one's party position that can build a consensus that extends to all groups or a sufficiency of groups.

One of the things that troubles me in the reports of the 11 boundary commissions I am referring to is that they again in a somewhat cavalier position have tended to put this aside. They seem to be looking back more to a 19th century concept of constituencies based on single communities.

I think this is interesting but it is back to the future and not a good way. I cite this simply to say that we were dealing with as a committee highly contentious and arguable reports made by boundary commissions. To give the ladies and gentlemen on these commissions full credit and honour they were the victims of the laws that did not adequately spell out what they should do.

• (1310)

The chief electoral commissioner correctly, because he is a man of high intelligence and high integrity and respect for the constitutional proprieties, concluded that it was not his function to spell out criteria that Parliament had not spelled out.

This is the reason we have attempted in a comprehensive law limited to this one problem getting the electoral boundaries issue dealt with adequately and to concentrate on that problem.

I would have liked to address also the issue of capping the size of the House. It seems to me that is for another statute. I would simply add as a member from British Columbia that the bill guarantees a point very dear to my province, our constitutional right to two extra seats in the House of Commons with the next federal election. There is an iron clad guarantee there.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Madam Speaker, I listened with great interest to the hon. member for Vancouver–Quadra who not only served on the committee of procedure and House affairs but was very active in the discussion relating to the whole process we are currently discussing and have spent some time on.

Being an academic who has been involved in looking at this process historically and currently he speaks with some authority I am going to ask him to take off his academic hat because I also know he has practical experience, having served on a commission. He also knows very well the contents of the motion that has been presented by the procedure and House affairs committee for the consideration of the House.

He served on a commission in British Columbia in the past and who knows, he may in the future if he continues to follow various careers. There was a strong feeling in the interior and northern part of British Columbia that the ridings should be at the low end of the variable quotient, say minus 20 rather than zero. That was a strong representation both from members and from the population. In the lower mainland he heard the opposite hue and cry. The population is growing very quickly, as the member would agree. They asked to have their growth taken into consideration and put them down around 20 per cent on the negative side of the variable quotient.

I know the hon. member is not biased; he is a very fair minded man. However, if he and his fellow commissioners were biased and perhaps all lived in the lower mainland and wanted to represent the concerns of the lower mainland ahead of the concerns of the interior and northern British Columbia, would this legislation prevent him from carrying out that bias?

Mr. McWhinney: Mr. Speaker, I thank the hon. member for a very thoughtful question. I have never accepted the concept that equality requires an absolute equality of rule application under all circumstances. As the United Supreme Court and Justice Douglas have said, you treat equal things equally but there is an element of discretion.

I recognize as part of the principle of equality of representation that we are entitled to and in all decency must make variations that take into account extreme geographic conditions such as we find in the north and the interior of British Columbia.

In exercising discretion as an electoral boundary commissioner in the past in British Columbia we did take that into account and gave it weight against the clamant demands in the city for mathematical equality of representation of all constituencies. I would think a commissioner, within the parameters established by the act, would properly exercise similar discretion.

I wonder, and I believe this is the private view of the hon. member opposite, whether the 25 per cent offset is not too high and whether 15 per cent might not be more realistic under present conditions.

• (1315)

Mr. John Duncan (North Island—Powell River, Ref.): Mr. Speaker, it is a pleasure to rise on Bill C–18. Eleven months ago I rose to participate in the debate on this bill suspending the

operations of the Electoral Boundaries Commission. At that time I questioned the political interference, the waste of millions of dollars and the fact that as politicians we were involved in that messy process at all.

I consider this whole thing to be unfair to the public. We are wasting taxpayers' dollars again, in the order of $5 million, and once again we will be soliciting their input. I have had discussions with many members of the public and they have lost the thread on this whole redistribution exercise, as have I from time to time. It is beginning to read like a bad novel.

Some of the debate that has gone on today reminds me very strongly of why politicians should not be involved in drawing lines on a map. Some of the objections are tantamount to that.

Eleven months ago I also expressed regret and concern for overturning a process which had been in effect every decade since 1867. I could not determine precedent for this action and nothing has changed my mind in the intervening time.

It remains a shame why we have gone through this process at all, and having gone through it, we have achieved so little. What we have before us today, in my view, confirms that fact. This is an exercise which retroactively thwarts a longstanding, non–partisan method of redistribution.

The Constitution sets out the formula for representative government based on the concept of equality of voting power, that all Canadians should have an equal voice in governing themselves. This concept has been modified over time to ensure equality and continuity. Today's report does very little, in my view, to solidify this notion. We had hopes for a workable report. This attempt does not meet our standards and that is why we submitted a minority report.

First, the total number of seats in the House is not reduced. They have increased from 295 to 301, which was the original situation with the Electoral Boundaries Commission reports that were previously made. We have gone through this whole exercise and we are right back at the same place we started.

We argue that it is time to reduce the cost of the precincts and reducing the number of seats is an important first step. There seems to be a notion that the more members of Parliament we have the more will be accomplished. We should not confuse more and motion with real progress.

The hon. member for Calgary West described the capping of the number of seats very well so I will not pursue that in my speech today. However, we have had a consistent message throughout this piece. I am a member of Parliament from British Columbia where we have the somewhat unique situation of getting additional seats. We receive two of the six additional seats in this proposal. Our message has been consistent. It is consistent whether we reduce the number of seats to 265 or whether the number goes to 301. The message is that B.C. should get its fair share, as should the other provinces and territories. We started this exercise on the basis that the Liberal government wanted to freeze the number of seats at the 1993 levels. That is not where we are now.

• (1320)

The recommendations on the quotient factor contained in the report do not deal effectively with the 25 per cent quotient factor or the what is called the population variance factor by some.

The Electoral Boundaries Readjustment Act specifies that a commission is to draw constituency boundaries in such a way that the population of each constituency is as close as possible to the quotient obtained by dividing the provincial population of eligible voters by the number of seats in each province. No constituency is permitted to have a population smaller than 75 per cent of this figure or greater than 125 per cent under this proposal.

Elections Canada reports that 51 of the 295 existing ridings exceed the current permissible population variances. By suspending the operation of the Electoral Boundaries Readjustment Act we have perpetuated present inequities. What we are being offered today as a consequence of Bill C–18 and suspending the work of the commission, is 25 per cent. Surely we should expect an improved situation as a consequence of this delay and study. That is not the case. In fact, the recommendation is worse and ultimately the situation will be too.

We are very concerned that the commission will continue to be allowed to draw maps that from the very outset vary up to 25 per cent from the electoral quotient. This will compound the quotient factor in light of population shifts between redistributions.

The Reform minority report advocates an allowable maximum variance of 15 per cent to ensure the primacy of equality of voting power over sociological considerations.

The report states that there may be some ridings that should be more or less than 25 per cent of the provincial quotient and that these ridings should be set out in a schedule to the act. What a contradiction. We are allowing a plus or minus variance from the 25 per cent. With a variance of 25 per cent there should be no exceptions, no need for a schedule, I might add a schedule without guidelines.

Can we really say there has been any substantive changes to the bill? When one considers the lack of reduction in the size of the House of Commons, one has to consider the conviction and the motives of the legislation. It is very difficult to justify discarding the work at great public expense of the existing Electoral Boundaries Commissions for these so–called changes.

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, from my point of view today is a very important day for Parliament. We are here to recognize for the first time a new way of doing business in Parliament. We are today debating—I hope the House will adopt it—the motion whereby the government will introduce into the House legislation that was drafted, not by the Department of Justice, not by some unknown bureaucrat for whom I have the greatest of respect most of the time, but by parliamentarians at committee.

• (1325)

This has occurred using the new rules of procedure that were introduced into Parliament by the government very early in its mandate. It is a very refreshing step to take. For the first time Canadians will have before them legislation that their MPs drafted.

I am not saying that this is how all the laws should be drafted all the time. This time we are showing Canadians that the system will work, that their Parliament will work and that we can do a job that is terribly fundamental in the way we are perceived by the rest of Canadians.

We are debating a motion for concurrence in the work that a number of MPs in all parties participated in and worked on quite hard at committee. I was there. I was one of the many. We look forward to it being adopted at concurrence and then becoming a bill.

I hope we will have a chance to do this in Parliament many more times. I hope that the bureaucracy, the public service, the executive branch of government, all the lawyers whose job it is to draft legislation, will begin to understand and support the growing role of parliamentarians in actually putting the words and concepts to paper.

Aside from the importance of the steps we have taken and the way we produced this legislation, the legislation itself is actually kind of good. We have done the best we can within the political context that exists at this time to reform and draft a bill that provides a better electoral boundary redistribution process. We are just dealing with the process. No one should think that the legislation we are working on now actually permits MPs to redraw the riding boundaries. That is not what it is.

We have reformed the process whereby electoral boundary commissions redraw those boundaries. We have done a number of things that have reformed and improved the process.

One of the issues that was submitted to the committee for consideration and which really does not end up being reflected in the draft legislation is the issue of capping the size of the House of Commons. The committee was asked to consider that issue in dealing with this statute although the statute itself does not designate the number of MPs in the House. The redistribution of boundaries legislation does not itself set out a formula as to how many MPs should sit in the House of Commons.

Those formulae are actually contained in the Constitution. What the committee was asked to do was to reflect on the constitutional provisions that dictated how many MPs should sit in the House of Commons. More than one section deals with those formulae. They prescribe that based on the current population of Canada the House of Commons for the next general election some time in 1997 or 1998 would have 301 ridings. At the current time there are 295. That would mean a growth of six.

It is not a big number but for many of us on the committee there was a principle. I was one of those who felt that there was a principle that maybe the House of Commons did not have to grow forever and ever into the future, that maybe it could be capped. Maybe we could say 295 was really enough to represent all the various parts of the country. We did not need 350, 400 or 500 as time went on.

• (1330)

That is how I felt. I still feel that way, that we have an open-ended formula. As the population of the country grows the number of MPs will grow. That is going to be slow and marginal over time. It is not something I have to lie awake at night to worry about now. The number is going to go up by six. The House can physically accommodate six more bodies but it is getting a little tight in here.

The real issue is whether we want to end the continuing growth. I am one of those who would like to do it in some way that would, as my hon. friend from North Island—Powell River stated, be fair to all provinces. Therein is the problem. How do we be fair to all provinces?

We have two constitutional provisions now that define the growth. One of them is called the senatorial floor, which means that no province will have a number of MPs less than the number of senators which it currently has in the Senate. The other formula is in section 51 of the Constitution Act. It says that provinces with declining populations will not be prejudiced by the decline in their population. In other words, the province will not lose MPs as its population declines, even relative to the population of the rest of the country.

Those are constitutional provisions and I think everyone knows in this Parliament that this is not the time to be tinkering with the Constitution. While I want Parliament to deal with the issue of how much it will grow in the future, this is not the time to start dealing with any particular provision in our Constitution. Canadians are suffering from overload in dealing with constitutional reform.

It simply was not going to be within our ability as a committee to deal with this particular issue effectively. I have accepted that a future committee, maybe even the same committee, or maybe

another committee in the same or the next Parliament should be dealing with this issue of capping.

What have we done in the current bill to remodel the way we set the electoral boundaries? This is aside from the number of MPs and the number of ridings. We have accepted that there can be a population deviation in any one riding above or below the average population in a riding, plus or minus 25 per cent. This is the one that has been used for a while.

There are some deviations out there. The last hon. member who spoke indicated that there are 50 out of the 295. They are there for a reason. The electoral boundaries commissions accepted that there were reasons for the deviations. I accept that there simply are reasons for which deviations should or could continue to exist over time.

I think of the example in my province of Ontario where there is a stable or decreasing population in the north with a quickly growing population in the south. If we did not allow some deviation, we would end up redrawing boundaries in northern Ontario which would radically diminish the current representation of those people in northern Ontario in this House of Commons.

I was not prepared to say to all of those people: "We are going to pull one or two MPs. I am sorry, but the mathematics say you have to go with fewer MPs". Those ridings are huge and the federal issues that those MPs deal with are no less important than the issues urban MPs deal with. I did not want to be the one to say that they had to give up their representation in this House. Relatively speaking we have the status quo in terms of the deviation.

• (1335)

One thing we did recommend which is included in this bill is we took away the ability of the electoral boundary commissions to go beyond the 25 per cent deviation. That is no longer there. At the present time I think there are only one, two or maybe three ridings that go beyond the 25 per cent deviation. That should be seen as being distinct from the current circumstance because certainly there are ridings now that go beyond the 25 per cent simply because since the last redistribution populations have grown.

Going back to the last time a decision was made about boundary sizes, there are only one or two ridings that went beyond the 25 per cent. We are of the view, and I hope the House agrees, that the boundary commissions themselves should no longer have the discretion to permit a deviation beyond the 25 per cent.

We have made other changes which we believe are helpful, cost effective and useful in the current process of redesigning riding boundaries. We adopted the mechanism of a five–year redistribution, a quinquennial redistribution. Rather than going into the mathematics of it, it simply means that where there is a rapidly growing riding in terms of population we get a chance to adjust it in relation to other surrounding ridings at a five–year period rather than at a ten year period. Therefore we will not have people underrepresented or overrepresented and we will not have these huge populace ridings as have developed in this Parliament.

It is somewhat unfair to the population of those huge ridings with a quarter of a million people. There are one or two out there. My riding has 150,000 people. The average in Ontario is about 100,000. It means that servicing these ridings is a bit more difficult. Therefore, if we have a five–year redistribution for some targeted ridings that have grown quickly we put the problem to bed earlier and we do not have these huge, huge ridings developing over a ten year period.

We have put in place a more transparent method of appointing the commissioners of the electoral boundaries commissions. We think the process is better. We think we are more in control. The quality of those appointments will be improved. We have involved the Speaker of the House of Commons more directly. We have linked that to the floor of the House of Commons at the very beginning so that we will be more certain—one cannot ever be 100 per cent certain—that we will have quality and non–partisan representation on the boundary commissions.

I would point out that the chief of each of the commissions has been and will continue to be a judge of the Supreme Court of each of the provinces, or a judge designated by the chief justice there. That has always been helpful in providing non–partisanship in the drawing of the boundaries.

The new process will provide an initial notice that has more detail in it. It is not just going to read: Be aware that we are going to redistribute ridings and we are going to redraw the boundaries, so get ready. It is going to have more information.

In addition, the boundary commissions are going to have to publish more than just their map of proposals. They are going to have to provide two alternatives so that average Canadians who want to be involved in the process are going to see some of the trade–offs, some of the different ways of looking at boundary redistribution.

Canadians will come to the realization early that when we change the boundary of riding *a* we are also therefore by definition changing the boundary of riding *b* next door and riding *c* and on down the road in a domino effect which occurs in many cases. The additional maps will be very helpful not to the members of Parliament but to the average Canadians who want to be involved and understand the process.

We are also, as I have said, changing the way the appointments to commissions occur. We have reduced the time that will elapse between the triggering of it and the presentation of the final decision. Time saved is money saved in my view. I am sure Canadians want to save some money. We have found some ways

to save money in the process in the way the maps are printed and distributed.

• (1340)

Last but not least, under the current legislation there is a way that MPs at the end of the day could deal with the redistribution on the floor of the House of Commons after the boundary commissions had reported. That sometimes happened as I understand it. Keep in mind this only happened once very 10, 11 or 12 years. However, there was a potential for what some people would call gerrymandering. At the end of the process in the old days after the boundary commissions had done their work, the matter could come to the floor of the House of Commons.

That is not going to happen any more. Parliament will simply accept that the commissions will make their decisions and they will be accepted by the House as being the best decisions.

I would like to close by commending members from all sides of the House who have participated in the process of redesigning the bill. The new bill was not accepted 100 per cent by every member. There certainly were some trade–offs and compromise. There may still be bells and whistles some members would like to see in the draft bill which are not there now. However I think we have designed and produced a bill that meets the needs of the 1990s and will serve members and their constituents well for many years to come.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Madam Speaker, I listened with interest to the hon. member's praise of this proposed legislation.

As my colleague the member for Calgary West mentioned in his speech earlier when he quoted the hon. member, he very clearly indicated he was opposed to an increase in the number of members in this House. When serving with him on the procedure and House affairs committee I distinctly remember him saying that even an increase to the number of 301 was totally unacceptable. I think he used such illustrative language as we may have to knock out walls and destroy the beauty of this House of Commons if we do not come to grips with the rapidly expanding House of Commons.

We have a growth of population coming both from outside our borders and from within our borders. This legislation is set up in a way that the number of seats are determined by population. People are coming into Canada, about 200,000 or more a year, so that represents two seats per year. Then there is the growth within the country. I am not sure of the latest figures but it may be a similar amount. Even if it were half that much that would be three seats per year. Therefore by the year 2001 the increase of six seats from 295 to 301 may seem small by comparison.

This legislation does absolutely nothing to counteract that problem. In fact it just says that we cannot do anything about the problem. We will leave that for some future body, some future commission, some future committee of members to deal with.

How could the member change his position on this matter?

Mr. Lee: Madam Speaker, I do not think the hon. member is correct in saying that I have changed my position. I have already articulated my position that I would not want to see an increase in the number of members of the House of Commons. That was in my remarks when I began.

The hon. member obviously has never had the responsibility of piloting a constitutional amendment through this House. Neither have I. He probably never will have. If the member thinks that we can simply pass a statute in this House that says that the House of Commons is capped at 295 seats, he is mistaken. It is much more than that.

First, even if we were to say that we want it to be 295, we have to find a new formula to address the needs of all provinces, just as this member prefaced his remarks by saying that we have to be fair to his province of B.C. We have to be fair to all the provinces including those with declining populations that are going to say: "We want a floor; you can add more seats somewhere else but you are not going to take any more away from us".

• (1345)

The government has to find a new formula. It has to pass a constitutional amendment and get it approved by all provinces or by two–thirds in a process that will take a number of years. While I am willing to embark on the process, it certainly is not going to happen this month, this year, in this Parliament.

I support the principle and the objective.

Mr. Joseph Volpe (Eglinton—Lawrence, Lib.): Madam Speaker, I compliment my colleague from Scarborough—Rouge River who gave us an opportunity to witness a very complex and complicated issue in three very simple and very easy to understand formulae.

First he addressed the process that involves the House of Commons and something to which every member of the Chamber ought to adhere and applaud. The committee has given Parliament, the House, an opportunity to appreciate what members can do and ought to do.

On the basis of process, not only the way the committee works but the way it arrived at a decision, I compliment him and the other committee members who put the proposal forward. I urge all members to support it. I also compliment him on the way he outlined the basics of the content.

The content addresses a very important principle in the House, that is how we work for our constituents and how Canada will be reflected in the Chamber. We cannot do that simply by cutting the number of seats or by increasing the number of seats willy-nilly, in a very whimsical fashion.

By pointing out the process for establishing the kinds of representations we would like to see evolve for the House he has done us a great credit. Most important, the member has done something that all other speakers and interveners have unfortunately neglected, that is he gave an indication of the reasons or the philosophy behind this proposal.

That basic philosophy recognizes that the House always has a very difficult time getting a singular view. There is a very important reason for this, that the country as diverse and as large as it is cannot possibly have a single homogeneous view on the basis of a partisan perspective.

I compliment the committee for recognizing that very integral difficulty in governing a country like ours and in making provision in the rationale and the motivations for redistribution so that members can bring forth many important views that differ not only in content but in motivation.

I compliment the member for Scarborough—Rouge River. He has given members of the House an opportunity to take a look at the issue in a very dispassionate, non-partisan and yet forward looking fashion.

I encourage all members on both sides of the House not only to agree with his position but to applaud the efforts of the committee and vote in unison on the issue.

Mr. Lee: Madam Speaker, I thank the hon. member for his remarks.

On the suggestion of the member opposite that we really should have tried to do something to cap the number of MPs, or even reduce the number of MPs in the House, I would say that if there were a motion on the floor of the House of Commons to cap, reduce or deal with unending growth of the House of Commons I would vote for it. He should get a motion introduced and I will vote for it.

However the member must be aware that after the motion passes, after he articulates his good wishes, he still has to go through all the constitutional reform procedures and deliver a formula that will be accepted from coast to coast to coast. That is the challenge.

• (1350)

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Madam Speaker, I appreciate the hon. member's remarks but I would point out to him that my colleague from Calgary West suggested constitutional changes that can be determined within this body and without agreement of the provinces because it did not affect the senatorial floors and so on.

He did not appear to support these moves, even though he had the opportunity. In fact he changed his mind.

Mr. Lee: Madam Speaker, I would ask the hon. member whether his home province of Saskatchewan would be willing to give up seats to accommodate the proposed cap that his colleague put forward.

I hear otherwise. It might be worth a look and when it comes up I will be on side and in favour of ending the unending growth of the House of Commons.

[*Translation*]

Mr. Réginald Bélair (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Madam Speaker, of course I have considerable interest in speaking today, because my riding of Cochrane—Superior is in northern Ontario, and its survival is at stake.

I would first like to pay tribute to the committee chairman and to all of my colleagues who helped draft this report, which I would call apolitical. I attended a few meetings, and I must say in all sincerity that they have done a tremendous job. It was, however, a job that had to be done; it was inevitable, given the situation. First, the act dates from 1964; it bears no resemblance to the way Canada's current electoral map looks today.

On issues of representation, the report focuses significantly on the quotient, the variance of 25 per cent. This remains something that is very important for me, for the simple reason that, because of this quotient, large rural ridings in Canada will never be safe and will never have equal representation here in the House. I need only point out how far we have to travel to serve our constituents. This is our prime function, to serve people.

For example, if a riding like mine were abolished, according to the recommendation of the September report, the four surrounding ridings would simply become bigger. It would therefore simply increase the already excessive demands on each of these members, or rather on their resources, energy and ability to reach remote communities.

If I may be permitted to speak specifically about remote communities, my riding of Cochrane—Superior includes 21 Indian communities, 16 of which are north of the 49th parallel. For the most part, there are no roads leading to these communities, which means that when I want to go there, make myself available to them, I must charter a flight, which is extremely expensive but must be done. This then contradicts the Reform Party's argument that it is too expensive to have a great number of members in the House. This argument verges on being absurd.

What good will it do to increase, to double the population of such a riding while retaining the same member without giving him the resources, both human and financial, to carry out his work?

• (1355)

And what purpose will it serve to do away with many rural ridings only to increase the size of so–called urban ridings and thereby, as stated, make demands exceeding the members' resources and energy. More importantly, should this come about, it would be a direct attack on democracy, here in Canada, because all Canadians, wherever they live, have the right to be equally represented in the House of Commons.

I would of course like to reserve my main comments for the third reading of the bill once it is tabled.

These are the points I wanted to make at this time. I have not addressed the true substance of the report. I will wait for the bill to be tabled. At that time, I will be able to provide the statistics to back up what I have just said.

This report is not acceptable for northern Ontario, not at all. It is not acceptable at this time. I will therefore certainly table an amendment in the House, first and foremost to restore the schedule of ridings called "special" because of their geography. That has been removed from the report. I definitely intend to attempt to have it included again. I hope my colleagues will appreciate my purpose and will support me in this matter.

[*English*]

Mr. Ken Epp (Elk Island, Ref.): Madam Speaker, I commend the member for identifying a very real problem in our Constitution. We have a real anomaly. If we were to be honest we would have to say a constitutional change is in order.

If Canada's population remains constant but Quebec's population goes down, we need more members in the House of Commons for that reason, by our present rules. That does not make sense in anybody's thinking. Therefore we do need to have a change in this regard. There ought to be a formula that recognizes geography, the area of a constituency, because it is a very real factor in any area away from the more densely populated areas.

The member who just spoke was right on the button when he said that we need to change the rules so it is possible for an MP to do his work. As far as the numbers are concerned, I think Canadians would have no trouble at all with supporting their members of Parliament.

The Speaker: It being 2 p.m., pursuant to Standing Order 30(5) the House will now proceed to Statements by Members, pursuant to Standing Order 31.

S. O. 31

STATEMENTS BY MEMBERS

[*English*]

THE BUDGET

Mr. Andrew Telegdi (Waterloo, Lib.): Mr. Speaker, the constituents of my riding have given me a clear message to pass on to the Minister of Finance for the budget.

Eliminate waste in government. In particular, stop the rip–off of taxpayers' dollars by the military, by their inefficient management of government moves, and implement the government's own reports and contract out move management.

Stop double dipping by MPs and civil servants. Reform MPs' pensions. Deal effectively with the deficit to get Canada's fiscal house in order.

We must also reaffirm our commitment to our internationally renowned system of higher education, maintaining accessibility through an income contingent loan repayment scheme and support for our federal granting councils to sustain university research efforts in Canada. We need strategic long run investment in wealth creation through university research funding.

The University of Waterloo, Wilfrid Laurier University and Conestoga College in my riding are existing testimonials of wealth creation for all Canadians through support for research and higher education.

* * *

[*Translation*]

POST–SECONDARY EDUCATION

Mrs. Madeleine Dalphond–Guiral (Laval–Centre, BQ): Mr. Speaker, in several cities in Quebec, the province's student associations have indignantly protested social program reform, especially changes to the funding of post–secondary education.

They have all said that the proposals are unacceptable and that they will have the negative effect of causing an unprecedented increase in tuition fees, which in turn will bring student debt to dizzying heights.

Lucienne Robillard, the Liberal Party's candidate in the riding of Saint–Henri—Westmount, surely agrees with the students' criticisms. In fact, on May 29, 1991, she said in the Quebec National Assembly that she had to insist that the federal government was completely out of touch with today's world of education.

Need I say more?

S. O. 31

[*English*]

INCOME TAX

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, I would like to congratulate a Liberal MP backbencher today. I was at a meeting in a constituency not so long ago. With the press in attendance this powerful MP made an amazing promise. He promised that he would not vote with the government on the budget if the budget raised more taxes than a gasoline tax and a lottery tax.

Reformers say that no taxes should be raised, but this powerful MP made that promise. Everyone was there to hear him. Think of it. No more cattle herding by cabinet solidarity; free MPs to vote their constituents' wishes.

I would like to congratulate the member for Cambridge. His constituents will remember the promise and we will watch carefully whether or not that support is forthcoming. Congratulations.

* * *

EATING DISORDER AWARENESS WEEK

Ms. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, I want to remind members of the House and Canadians that February 6 to 12 is Eating Disorder Awareness Week.

The theme is: "Breaking free: Celebrating our natural sizes". The goal is to increase awareness of the social factors which contribute to the development of anorexia, bulimia and weight preoccupation, and to prevent them.

Anorexia and bulimia are more common among women between the ages of 13 and 25 and is increasing rapidly in a society that glorifies thinness.

During this week, the National Eating Disorder Information Centre will provide messages consistent with Health Canada's vitality program, promoting healthy weights. The vitality program pinpoints our society's preoccupation with weight and unrealistic body size and responds by building self–esteem and a positive body image.

Healthy bodies come in a variety of shapes and sizes. A good weight is a healthy weight, not just a low weight. Dispelling the myth about weight and directing Canadians to appropriate resources is only the start in correcting this insidious disease that devastates our young women.

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INTERNATIONAL DEVELOPMENT WEEK

Mr. Pat O'Brien (London—Middlesex, Lib.): Mr. Speaker, this week, International Development Week, is a time for Canadians to become more aware of the challenges facing people of developing countries in Africa, Asia, Latin America and the Caribbean. It is also time to recognize the effectiveness of the Canadian international development programs that support sustainable development and alleviate poverty in developing countries.

With assistance programs, more than 80 per cent of the world's children have been immunized, sanitation and water quality have improved, more people are living longer and healthier lives, food production has tripled, and there is greater literacy in the world.

Co–operation between governments, the private sector, the United Nations, international banks and other organizations has and will continue to bring immeasurable benefits to the global community. During International Development Week we should keep in mind that we do after all share one world and a common future.

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THE BUDGET

Mr. Paul DeVillers (Simcoe North, Lib.): Mr. Speaker, lately there has been much speculation about the imminent federal budget. The previous government raised taxes 39 times under the guise of deficit reduction, but the deficit continued to swell uncontrollably.

I frequently said during the election campaign and again in the House that we need more people paying taxes, not people paying more taxes. I believe Canadians are generally fair–minded about taxes, but I am certain they will accept only changes that make the system more equitable.

• (1405)

During recent weeks the leader of the Reform Party and others in his party have been talking a lot about a taxpayers' revolt. This negative rhetoric is not constructive and does not reflect the new way of doing politics which the Reform Party so frequently espoused before coming to Ottawa.

It is also unnecessary. The government and indeed very member of Parliament knows that middle class Canadians cannot bear a greater tax burden. In fact, the Liberal members addressed this problem head on during the last election campaign.

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[*Translation*]

SOCIAL PROGRAM REFORM

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, during the consultations on social program reform, the following message came across loud and clear: the main problem is lack of jobs, and students and the jobless should not have to shoulder all of the deficit reduction measures, because social program budgets have already been squeezed enough over the past 10 years.

However, despite the opinion of the majority of witnesses who spoke before the committee on the proposed reforms, the ministers of finance and human resources development appear poised to revisit last year's budget this winter, by heaping most of the budget cuts on the most needy and the middle class.

What is the Prime Minister waiting for to make the two ministers see reason? Any effort to get our financial house in order should target those who are best off, the rich who are still able to avoid paying taxes.

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[*English*]

ELECTRONIC VOTING

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, governments around the world are introducing new direct democracy initiatives while our Liberal government refuses to even consider modifying our outdated parliamentary system.

New Zealand, the first country to have universal suffrage, passed the Citizens' Initiative and Referendum Act in 1993. The state of Montana recently authorized the use of electronic voting in school board elections.

Elections Canada has been closely observing the use of touch tone telephone voting in our country and I am confident that it will use an electronic voting system in a byelection before the turn of the century.

Of course it is the Reform Party which is the leader in this field. We are involved in two more electronic town halls on February 12 and February 19 at 8 p.m. eastern time as part of our commitment to enhance and develop the use of this technology.

I urge all members to tune into their local cable television stations on Sunday to witness the making of the new democracy right before their eyes.

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THE ENVIRONMENT

Ms. Beth Phinney (Hamilton Mountain, Lib.): Mr. Speaker, last November it was announced in the House that the Deputy Prime Minister and Minister of the Environment will chair an international meeting of environment ministers from the group of seven industrialized nations.

I am pleased to inform the House that this important meeting will take place in Hamilton at McMaster University from April 29 to May 1. We will demonstrate Canada's leadership in working on solutions to difficult global challenges such as climate change, biological diversity, the management of toxic substances and the international mechanisms that we use to tackle these issues.

The government's recent actions to get our own house in order, greening our operations and policies, will also be shared with G–7 colleagues. Invitations have been sent to environment ministers from France, Germany, Italy, Japan, the United Kingdom, the United States as well as the European Union and the executive director of the United Nations environment program.

All Canadians will welcome these efforts to address global environmental problems.

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CANADIAN BROADCASTING CORPORATION

Mr. John Maloney (Erie, Lib.): Mr. Speaker, the CBC has made an application to televise the proceedings of the Paul Bernardo trial, a motion that is strongly opposed by the families of the innocent victims, Kristen French and Leslie Mahaffy.

One must question the motives. Ratings, sensationalism and profit quickly come to mind. We have open court rooms. We have a jury of our peers to represent society. Surely this is enough.

The people of Niagara knew these victims and we know their families. These two unfortunate teenagers have become children of our nation. Let us protect their dignity in death.

It is time to deal with this situation in a judicial and responsible manner and to respect the rights of the victims not to be exploited further. There is no need to glorify these tragic events. There is no need to satisfy the perversion of tabloid journalism. There is no need to bring the O. J. Simpson circus to Canada.

I implore the CBC to withdraw its application. It is simply not the Canadian way.

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HUMAN RESOURCES

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, the Minister of Human Resources Development is to be applauded for considering a ban on replacement workers in the event of a strike. Such measure would mirror legislation already existing in Quebec, Ontario and British Columbia.

• (1410)

The banning of replacement workers has not harmed the economies of these provinces. On the contrary, such legislation would help to motivate labour and management to begin early the collective bargaining process, thus averting costly work stoppages.

As emotion often runs high during a strike, this measure would help prevent tragic events such as those recently witnessed at Yellowknife's Giant gold mine.

Liberals look forward to passing such legislation.

[*Translation*]

MINING

Mr. Bernard Deshaies (Abitibi, BQ): Mr. Speaker, while the Minister of Finance is preparing his budget, I hope that the federal government gave due consideration to the recommendations contained in the fifth report of the Standing Committee on Natural Resources. As you may recall, these recommendations were made in light of the evidence given by all those who took the trouble of appearing before our committee to describe the situation in the mining sector.

I especially want to remind you of the second recommendation in the report, namely that the federal government should include in its February 1995 budget tax measures to stimulate mining exploration in Canada. It has been demonstrated that mining exploration is an investment rather than an expenditure.

Implementing this tax recommendation will have a direct beneficial impact on job creation that will be more than welcome in my region of Abitibi, in Northern Quebec and in all mining regions of Canada.

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[*English*]

FAMILY INCOME

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, Statistics Canada's annual report on family income verifies what many Canadians have known for years: family budgets do not balance. Why? StatsCan reports that family income has actually declined by 6.7 per cent since its peak in 1989. The report calls it the longest and steepest decline in the last four decades. In fact, the average family income in 1993 was slightly lower than the level recorded in 1980.

As if that is not enough, personal per capita income and take home pay has also declined. The culprits? The PST, GST and UI premiums. We are income taxed to death.

It seems easy for the government to dismiss the grassroots tax rallies springing up across Canada. In doing so it blithely dismisses the growing economic nightmare of those individuals and families that hold our future as a nation.

The finance minister must recognize that Canadian families will not sit back and watch this trend continue with the imposition of further tax increases in its forthcoming budget.

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PULP AND PAPER INDUSTRY

Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.): Mr. Speaker, it is with pleasure that I note the recent announcement that the Avenor newsprint mill in Thunder Bay is planning to install a treatment system which will allow the mill to become completely effluent free.

This project represents the first mill scale development under a memorandum of understanding signed in March 1994 by the federal government and the Pulp and Paper Research Institute of Canada.

Two successful pilot tests of the process to be used have been completed and a secondary treatment system for the mill will be installed in 1995. The complete, totally effluent free process should be in place by late 1996.

The initiative shown by the pulp and paper industry and companies like Avenor is clear confirmation of the industry's commitment to the principles of environmental responsibility and sustainable development.

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INSTALLATION OF GOVERNOR GENERAL

Mr. Morris Bodnar (Saskatoon—Dundurn, Lib.): Mr. Speaker, on behalf of my colleagues on this side of the House I would like to acknowledge the observers from the Reform Party who graced us with their presence at the installation of the Governor General yesterday.

For the next such ceremony that members of the Reform Party attend, my colleagues in the Liberal Party would ask that they please show some signs of life, as yesterday we were quite concerned that they had all passed away in their seats. It must have been extremely difficult for many of them to sit so quietly for so long.

After the ceremony I learned that certain members of the Reform Party had not been present. Perhaps these members could not find cabs, which of course they could have billed to their tax free allowances. Or perhaps they all got lost somewhere in Ottawa–Vanier. After all, it is difficult to read French street signs.

* * *

• (1415)

LIBERAL PARTY

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, I am submitting a refresher course on the translation of Liberal rhetoric.

When the Liberals say that they hate the GST and will try to kill it, what they really mean is they will try selling it under a different name at 8 per cent.

When they say that their interest rate projections are bang on, what they really mean is give or take 4 per cent.

When the Prime Minister says that everybody wants to go to heaven but nobody wants to die, what he really means is that they are going to raise taxes.

When the Liberals say that they are going to get tough on young offenders, what they really mean is: "We will slap you on both wrists".

When they say that western economic diversification helps thousands of western companies secure new markets, what they really mean is that re–election in Winnipeg is in the bag.

When Liberals say that they will reform our social programs at any cost, we now know they mean it, at any cost.

Finally, when the finance minister uses cliches like keeping our feet to the fire and squaring the circle, beware, Mr. Speaker. What he really means is that like the Prime Minister and because of his cabinet he just does not know. He does not know.

ORAL QUESTION PERIOD

[*Translation*]

NATIONAL DEFENCE

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, yesterday when the Minister of National Defence answered one of our questions in the House, he said he had absolutely no knowledge of the existence of a third videotape concerning the Airborne Regiment in Petawawa.

How could the Minister of National Defence say he had no knowledge of the existence of a third videotape, when General de Chastelain specifically informed him of the existence of this third tape in a memo he sent to him personally on January 23?

Hon. David Michael Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, yesterday the hon. member for Charlesbourg asked me the following question:

> Can the minister promise that this new tape will not be destroyed like some of the evidence—

[*English*]

Also he went on to talk about the tape as being of "similar quality and horrendous nature as the one to which was referred earlier about the hazing incident". I replied that I had no such evidence of the existence of that particular tape. However I went back to the report and we sent out a clarifying release last night so that there is no misunderstanding.

In the report that came to me there was an acknowledgement of a videotape of something that was described as welcoming party, the activities at which were mostly beer drinking and other things that people do from time to time in a social context, but one where there was masticating of bread which of course we find totally abhorrent. It was described in the report to me as something that was not of a serious nature, that it was something that was not in comparison with the earlier tapes.

The interesting thing is that I have just been informed—and I want to get to the bottom of it after question period; I am sorry that question period will not wait for me—that the description of the events in the report that was given to me by the chief of defence staff two weeks ago does not corroborate with what I was given five minutes before two o'clock today.

Because I would like to get to the bottom of this I want to ask for the indulgence of hon. members so that I can come back certainly tomorrow and give some clarification of the matter.

• (1420)

[*Translation*]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, by all means, by all means. Considering the controversy around the regiment in Petawawa and the fact that this controversy has even led to the immediate disbanding of the regiment, how can the minister seriously say, two weeks after reading the report from the chief of defence staff, no less, how can he seriously say that yesterday he had no knowledge of the existence of a videotape and today, that he is not sure that the report from his chief of defence staff gives an accurate description of the content of the tape?

[*English*]

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, we have to understand the context of the question of the hon. member for Charlevoix yesterday.

He referred to the existence of a tape that was worse than the ones that were made public and which led to the dismantling of the regiment. I said yesterday and I say today that I have no evidence of that kind of tape being in existence.

However what I am saying is that in the report I got two weeks ago there was no reference to an initiation ceremony, nothing of that nature. There was reference to a welcoming party where the description I gave was applied.

What I am saying is that the description that I got two weeks ago did not add up to what I have just been told was actually in that video. It still does not go any way along the lines of the earlier video in terms of the abhorrent nature of the contents of that video to Canadians.

What I am saying is that since I have just been informed of this I would like to get to the bottom of it to clarify it.

[*Translation*]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the minister says he has no proof of the existence of this tape. It

seems to me that if the chief of defence staff mentions it in his report, that should be sufficient proof for the minister.

Are we to conclude that the minister was so prompt to disband the Airborne Regiment in Petawawa without, as he himself admitted, being aware of all the facts and all the available evidence, because he was probably trying to put a lid on it? Was he trying to cover up reprehensible acts engaged in by senior officers of the Canadian Forces, acts that would tarnish the army's reputation?

[*English*]

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the decision to disband the regiment was made on good grounds. We made that public two weeks ago and it was made notwithstanding the recommendations of senior officials in the armed forces.

One of the reasons that I believe disbanding the regiment was right at that time is that I did not know as minister what else may be out there.

When the hon. member spoke to me yesterday it seemed to me he was referring—I have heard lots of rumours about other video tapes—to the existence of other evidence that may come to light.

What we did two weeks ago is that we took the sequence of events, the deployment last year to Rwanda where some of the airborne got in trouble, the two video tapes, and we said that there was something radically wrong with this regiment, that there was a systemic problem, and on those grounds we ordered the disbanding of the regiment.

The Speaker: I know the seriousness of this issue. I would ask that the questions and the answers be to the point.

[*Translation*]

Mr. Jean–Marc Jacob (Charlesbourg, BQ): Mr. Speaker, before I begin, I would like to say to the minister that if this tape does not contain anything of serious concern, it should be made public and we will see for ourselves. It is being held by military police and no one can deny that.

Last December, the minister of defence announced that a commission of inquiry was being established to investigate the events in Somalia involving soldiers of the Airborne Regiment of Petawawa. In spite of additional events which further exacerbate the situation, the minister did not deem it necessary to take immediate measures.

How can the minister of defence justify not yet having established a commission of inquiry into the actions of the Airborne Regiment although section 45 of the National Defence Act gives him full authority to do so?

[*English*]

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, we are going over some ground that was covered a couple of weeks ago.

After the juxtaposition of events of the report based on infractions in Rwanda, the second video tape with racist behaviour involving some people now before courts martial, and the third involving the hazing, we felt that was enough. Enough was enough. We believe the problem was of such systemic origins that it had to be dealt with by disbanding the regiment, and I think there has been widespread public support for this.

• (1425)

In a perfect world I would have waited to take any action with respect to this regiment until after an inquiry had reported. I have to underscore the fact that the government inherited this particular dossier and what we will be judged on is how we handle the matter now, not how it got to one place right at the beginning months ago.

[*Translation*]

Mr. Jean–Marc Jacob (Charlesbourg, BQ): Mr. Speaker, may I remind the minister that we must distinguish between the events in Somalia and the events in Petawawa. Section 45 of the National Defence Act authorizes him to establish a commission of inquiry immediately, rather than disband the regiment and wash his hands of the affair and punish no one except enlisted men.

How can the minister claim to deserve the confidence of this House and of the public when, on the very day he set about disbanding the Airborne Regiment, he concealed from the public the existence of a third tape?

[*English*]

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I do not want to make light of the hon. member's intention, but the fact is that when we are talking about the existence of other tapes I do not know how many tapes are out there. I do not know how many copies there are. I do not know how many camera people there are. What is obviously happening is that as modern technology is catching up with everyone, including the armed forces, people are taking tapes of certain activities and I do not know exactly what is out there.

With respect to the question of why, sure we have the authority to set up an inquiry right now. There is a court decision now before the Supreme Court, the Westray Mine decision, that calls into question the fact that we could have an inquiry, a coroner's inquest or judicial proceedings all at the same time.

Once judicial proceedings were initiated, and they were initiated before we were elected, there was no choice but to adjourn the original inquiry. What we are saying is once due

process is followed with the existing courts martial, and that would be the middle of March, there will be an inquiry. It will be public. It will be headed by a civilian. All these questions on how the regiment was fit for deployment to Somalia will be answered.

* * *

PENSION REFORM

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, Canadians across the country are angry and we witnessed this last night at the huge anti–tax rally in Toronto. They cannot believe the government is considering tax increases.

An hon. member: They were all Reformers.

Miss Grey: I do not think it was just Reformers at the tax rally.

In the 1993 election we heard the present Prime Minister challenge then Prime Minister Kim Campbell to recall the House of Commons in the middle of August so that pension reform could be dealt with. He promised and told the press that the Liberals would change that plan in a day. Over 600 days have passed since then and Canadians are still waiting.

My question is for the Prime Minister. What changed since the 1993 election campaign? Why is the minister backtracking right now on his election promise? Will he introduce legislation now to reform MPs' pensions?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, first I thank the hon. member for Beaver River and other members of the Reform Party who attended the installation ceremony of the Governor General yesterday.

[*Translation*]

I would also like to thank the member for Laurier—Sainte–Marie and the other members of the Bloc Quebecois who attended this ceremony.

[*English*]

It was a sign of respect for the institution. They did what is expected of all members of Parliament; they displayed good manners.

As far as the bill is concerned, there will be legislation very soon in the House of Commons. It will be announced either before or at the same time as the budget.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, we heard something to that effect this morning on "Canada AM". What surprises me is that we have heard cabinet ministers, especially the Prime Minister, say that they cannot reveal anything that is going to be in the budget. How things change. He has just revealed, quite likely, that it would be revealed in the budget.

• (1430)

The Prime Minister said: "MP pension reform is in the red book and I am committed to everything that is in the red book". This vacuous document unfortunately has become the Liberal's book of excuses. It is like the fine print on a legal contract, just like the Deputy Prime Minister's promise to resign if the GST were not scrapped in a year. We are waiting for that to come true.

Will the Prime Minister go beyond the bare minimum outlined in the red book which does not address the problem of only six years for people qualifying for pension and paying in, and a contribution ratio of employer to employee of eight to one?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, in order to be courteous to the hon. member, I would would not like to see the bill passed before March 13. That will be the day she will qualify for the pension.

The bill will be dealt with. We made promises in the red book which will be kept. There are some people who want us to move further. We are discussing that at this time.

However, there is one thing I would like to say to all members of Parliament and to the public. The salaries of members have been frozen for years. Members of Parliament work very hard and are not very well paid. Many school directors and chiefs of police and so on are making much more money than members of Parliament.

I am not one to try and score political points at the expense of people who try to serve their citizens well as members of Parliament.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, I would agree that Canadians are not unreasonable. Nobody is suggesting that MPs do not work hard or that they do not deserve fair compensation for their years of public service. They simply want the MP pension plan brought into line with the realities faced by the private sector and do not violate the Income Tax Act.

If the Liberals are not willing to reform their gold pension plan, then start with mine which does kick in on March 13.

How can he justify a pension plan that is eight times as rich as the people who are paying for it, the taxpayers of Canada?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, there was a commission that looked into this problem not long ago and reported. It said members are really underpaid for the work they have to do. I agree with the commission.

This pension plan was established a long time ago. I have been a member of Parliament for 32 years this April and I have seen members of Parliament who had a very difficult time adjusting

to life afterward. I am informed that there are a lot of former members of Parliament who were in this House two years ago who are having a difficult time, some of them 58, 59 or 60 years of age, finding another job because they were in Parliament 15 years and cannot make the transition to private life very easily.

I am not about to play politics with it. We will be fair to members of Parliament. I ran on a program and it was written there that it will be at least the minimum we will announce before the end of this month.

* * *

[*Translation*]

THE BUDGET

Mr. René Laurin (Joliette, BQ): Mr. Speaker, my question is for the Minister of Finance.

According to the Liberal member for Gander—Grand Falls, senior finance officials have already presented the measures that the Minister of Finance plans to take in the next budget to influential business people and bankers.

Will the Minister of Finance confirm that he is considering the following measures, among others: a $4 billion reduction in transfer payments, a one per cent increase in the GST rate and a one per cent tax on the capital held in pension funds and RRSPs?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development–Quebec, Lib.): Mr. Speaker, the hon. member knows very well that I have no intention of making any comment on specifics concerning the budget. Having said this, I can confirm that no meeting such as the one described in the hon. member's letter ever took place.

• (1435)

Mr. René Laurin (Joliette, BQ): Mr. Speaker, the Minister of Finance could perhaps explain to us in what context the meeting occurred, if it did not occur in the way I described. Also, given the disastrous impact that a one per cent tax on capital accrued in RRSPs and pension funds would have, will the Minister of Finance commit to immediately and unequivocally ruling out this tax which would cost taxpayers, mostly from the middle class, some $5 billion?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development–Quebec, Lib.): Mr. Speaker, we have obviously just seen the drawback of writing the supplementary question before getting the reply to the first.

It is impossible to describe a meeting that never took place.

[*English*]

INDIAN AFFAIRS

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, my question is for the minister of Indian affairs.

According to a story in today's Winnipeg *Free Press*, an aboriginal band in northern Manitoba is sending 53 band members to a conference in the Dominican Republic at taxpayers' expense.

Does the minister approve of this waste of taxpayers' money? Does he simply not know what is going on in his own department?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, this is a story that came today. This is not my department. This is an aboriginal decision.

This is something I will look into and I will get back to the hon. member with the information. Unlike members of the Reform Party, I want to hear both sides of the issue before I respond.

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, the Prime Minister said a few minutes ago that people find it difficult to find jobs when they leave this place and it is because they have made such a mess of the economy.

I can understand the minister having a difficult time understanding why things like this offend the taxpayers because members of his own caucus like to go on these kinds of junkets.

Can the minister tell this House what the goal of this trip is, how he justifies it? Is it just the case of the government looking for expensive new ways of appearing ridiculous, in which case it has succeeded admirably?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, as I have indicated to the hon. member, I will discuss it with the First Nations of Manitoba.

If it is inappropriate in my opinion I will so state. I will at least talk to them unlike the hon. member who, when he talks about fairness and has a meeting in his own riding, sends out notices at our expense and advises everybody except the aboriginal people in his own riding.

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[*Translation*]

SOCIAL PROGRAM REFORM

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

At the start of the week, the Minister of Human Resources Development stated that the government would proceed with its reform of social programs and that it would be consulting the

provinces. The last federal–provincial ministers conference on income security was cancelled on April 18 due to the strong opposition of a number of provinces to its reform.

Does the Minister of Human Resources Development plan to call a federal–provincial conference on social program reform before the upcoming federal budget?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I thank the hon. member for her question. I can answer very briefly that just before the Christmas break my deputy met with his counterparts in the provincial governments to talk about the process they would like to initiate. A meeting was also held in the third week of January with the social service deputies to raise that question.

The response we received back from the provinces is that they would like to wait before they start a formal process until after the budget to be sure on the fiscal parameters.

I would like to indicate to the hon. member that I had a meeting last week with all the social service labour market ministers from the Atlantic provinces.

• (1440)

We had a very good discussion about how we can approach ongoing consultations with the provinces. I will be meeting with other provincial ministers individually over the next couple of weeks. I can confirm for the member that several provinces are quite ready to look seriously at how we can work together for the development of a new social reform package.

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, are we to understand that the government intends to present the provinces with a fait accompli by failing to call a federal–provincial conference on the proposed reform prior to the budget? Is it the government's intention, despite the discussions that have taken place and despite the additional cuts planned in the budget, which the number of rumours about would appear to confirm, to simply announce to the provinces, without prior consultation, what the cuts will mean for them?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I explained to the hon. member that in the meetings we held in both December and January at the senior official level in which we raised the issue of how we should proceed with a useful process of discussion, it was the wishes of the provincial representatives that any further meetings of ministers await the tabling of the federal budget.

In all things we are most sensitive and interested in the points of view of the provinces and therefore abide by their wishes.

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IMMIGRATION

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, in the interest of saving hundreds of millions of taxpayers' dollars I ask the minister of immigration if he would consider the following Reform proposals: eliminating the Immigration and Refugee Board; selecting more refugees from abroad and reforming visas to end abuse; creating a safe third country list; negotiating a cut to legal aid for court appeals for illegal residents; not issuing any more amnesties for failed claimants.

The Speaker: Colleagues, usually in Question Period we might get a question and maybe tack a little one on behind. When we get up to five that is a little much. Perhaps the hon. minister could answer the first two.

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I could not agree with you more.

This government has already taken measures to improve not only the immigration but also the refugee determination system.

We passed the other night Bill C–44, intended to improve the system and cut down on the very abuses that are part of that. We said at the end of last year as part of the program and agency review that additional reforms will be brought before the House of Commons in the very near future.

I ask the member to also judge us on that record.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, if the minister will not agree to those proposals, how about a pledge not to repeat expenditures like these next year: furniture for his friend Michael Schelew, $100,000; a $100,000 handshake when Schelew had to leave; $25,000 for a trip for senior bureaucrats to Vancouver Island; $2,000 for bookmarks with the—

The Speaker: These multiple questions are difficult for the Chair to control in question period. As long as the questions deal with the administration of a minister's department, of course I will consider them. When questions are so specific that perhaps they should be best put on the Order Paper, hon. members should consider that.

I will permit the hon. minister of immigration to address himself to the first two questions.

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, this is the kind of grandstanding that you cannot help but contrast the kind of spirit of these types of questions when we are looking at an important dossier like immigration. Contrast that with the speeches of the Prime Minister and the Governor General yesterday with the generos-

ity of spirit, the kind of vision that it takes to build a country like Canada which has been built by both newcomers and those who have been here for a long time.

* * *

[*Translation*]

FIGHT AGAINST AIDS

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, my question is for the Minister of Health.

• (1445)

The Minister of Health has obviously been overtaken by the events and stubbornly refuses to assume her responsibilities with respect to AIDS. This minister shows her staggering incompetence by displaying her inability to understand what those afflicted with this terrible disease must go through.

How does the Minister of Health explain that, two weeks before the federal budget is tabled, an amount of $1.1 million earmarked for the fight against AIDS is still unused and that, after waiting for 10 months, the minister still refuses to allocate this amount so that people with AIDS and community field workers can get help?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, I am sorry but if someone has been overtaken, it is the hon. member, because I have explained several times how we handle the money set aside to fight AIDS. We have, in phase II, $40.7 million a year, which is spent directly on assistance and research programs to prevent AIDS.

In addition, the Medical Research Council spends $2 million each year on research programs. At the international level, CIDA also spends money.

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, how can the minister rise in this House and justify the fact that seven community projects are waiting on her desk, when they have been approved by her officials? Can the minister tell us whether or not she will help community groups and authorize these projects, which have been waiting for her signature since October?

[*English*]

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, there are many projects under review within my department, far more than the seven that have been indicated here today.

The challenge is to ensure that every dollar we spend is spent effectively. That is what we are doing and that is what we will continue to do. Good projects will receive funding.

CANADIAN ARMED FORCES

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, this question is for the Minister of National Defence.

On several occasions the minister has assured this House of his strong concern for the health and welfare of the Canadian troops. Is the minister aware that Canadian forces personnel are complaining that they are experiencing effects which are sometimes called the gulf war syndrome?

Can the minister tell this House what is being done to address these complaints for the future well–being of the Canadian forces members?

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, we have been concerned about this problem for some time.

No definitive link has been made with respect to some of the symptoms people are experiencing and the participation in the Gulf war. A registry has been established at veterans affairs. A special clinic here in Ottawa at the National Defence Medical Centre has been established to deal with it. A protocol has been put forward for all medical personnel in the armed forces to deal with these complaints as they come forward. The Surgeon General of the armed forces has written to every member serving in the Gulf to ascertain whether or not the kind of complaints which have surfaced in some cases are prevalent.

We have no definitive link yet. Neither do similar authorities in the U.S. and Great Britain which also served in the gulf. It is something we want to get to the bottom of and we are at least putting these steps in place to address this very serious problem.

* * *

UNEMPLOYMENT INSURANCE

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I have in my hand a report that was produced over a year ago by the department that answers to the Minister of Human Resources Development. This report shows that the unemployment insurance program is so poorly designed that the unemployment rate could be .5 to 1.5 per cent lower than it currently is.

The minister's own department admits that unemployment insurance needs reform. He has had over a year to do something and has done nothing. When will we get some real action?

• (1450)

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, if the hon. member would be

courteous enough to tell us exactly what this report is, I would be glad to take a look at it.

As the hon. member knows, but I hope this does not come as a great surprise to him, we have just spent four months on a major public consultation by a committee looking at the unemployment insurance program. Members of Parliament, including his colleagues, have made a number of recommendations. In fact, I think he was on the committee. It strikes me that if he had all of this information, why did he not use it then?

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, what is happening here is that we have a government that uses consultation as an excuse for inaction. That is what is happening. This report is available.

The Speaker: I would ask the hon. member not to use any props. If that is indeed the report, I would just ask him to put it down so he can put his question. No props.

Mr. Breitkreuz (Yorkton—Melville): Mr. Speaker, Canadian taxpayers are sick of people who abuse our social programs, but they are even more sick of politicians who do not do anything. The minister is bent on making his programs bigger; he seems incapable of making them better.

Will the minister finally admit that big government programs are actually the root of the problem?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, to go back to the hon. member's somewhat fiery declamations, after yesterday's question period I made a special point of going back and looking very carefully at the recommendations tabled by the Reform Party as part of its committee report.

After carefully reading them, I came to the conclusion that I agree fully with the comments made by the hon. member's colleague, the member for Calgary North. She said: "They were not thought through very well; they were rushed into print" and no one should take them too seriously. That certainly speaks to the whole position of the Reform Party on social reform.

* * *

[*Translation*]

AIR TRANSPORTATION

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, my question is directed to the Minister of Transport.

The Minister of Transport recently announced his policy on assigning new international routes to air carriers. This policy will give Canadian International an advantage by granting it a quasi–monopoly on Pacific routes and excluding Air Canada from this lucrative market.

Would the Minister of Transport agree that by denying Air Canada access to the Hong Kong and Chinese market, he is also depriving Canadians of the substantial benefit they would enjoy as a result of competition between the two carriers?

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, Air Canada is of course interested in the Hong Kong route. However, as you very well know, in 1994 we gave Air Canada access to Japan with a route to Osaka via the new Kansai airport. I can assure the hon. member that the outlook is pretty good. Air Canada will hire more than 350 flight attendants and recall about 100 pilots. That is not bad.

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, could the Minister of Transport explain why, after the Gemini affair and the guaranteed loan of $50 million to Canadian International, the federal government has once again decided to give Canadian International an edge over Air Canada? Does he have an explanation?

[*English*]

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, I know the hon. member is trying, but I want to point out that with respect to international routes we need to be very careful on exactly what was done and when. This government certainly did not contribute any $50 million guarantee to Canadian Airlines International.

• (1455)

In spite of what the hon. member is trying to produce in front of the House today, again I want to quote: "Under the existing international air route policy, Air Canada has just announced that it is increasing its international capacity by 18 per cent".

If the hon. member would look back to where we were this time last year with Air Canada and Canadian Airlines International, he would understand how far we have come.

* * *

CANADIAN ARMED FORCES

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, my question is for the Minister of National Defence.

The minister has promised to begin an inquiry into the incident surrounding the airborne regiment in Somalia after the appeals are completed. It seems as though much of the airborne regiment's trouble has to do with the breakdown of the command structure.

Would the minister at least commence the inquiry procedure by naming the members of the inquiry so that there will be no delays after the appeals?

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the hon. member has obviously not been following what I announced

before in this House. The inquiry will begin not after the appeals but after the initial proceedings, the courts martial. That will be sometime in mid–March.

Once the judicial proceedings are finished, the hon. member will know the people involved in the inquiry and the terms of reference. I am sure that once he sees them, which will be soon after the judicial proceedings are completed, he will be quite satisfied.

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, I was merely suggesting in order to make sure there were no further delays after the inquiries take place that we move quickly to at least name the people on the inquiry board.

The morale of the Canadian Armed Forces is in serious jeopardy and I am sure the minister realizes that. There are such events as those of the airborne regiment, sailors on welfare, subsidized housing, golf trips for generals, and now cuts to the medical support for Canadian peacekeepers in Croatia which was reported today.

How can the troops be expected to have confidence in their commanders while these devastating morale problems remain unresolved?

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, if I ever saw a loaded question that was one. Everything the hon. member has ever learned about the armed forces, anything negative in the last little while has been rolled up into one question. I really cannot give a detailed answer to everything because I would be here until 3.30.

With respect to the inquiry, it will begin once the courts martial are over. With respect to the other questions he raised, I have responded to those questions in public and I can give detailed answers to the hon. member.

I will say one thing. We all have a responsibility as politicians to ensure that there is adequate, informed and reasoned debate about any institution so that we do not undermine the morale of institutions like the armed forces.

* * *

PESTICIDES

Mr. Gary Pillitteri (Niagara Falls, Lib.): Mr. Speaker, for years Canadian growers have been wanting a level playing field with American growers.

The red book promised to improve the pesticide regulatory system. What is the government plan on regulating pesticides to mean to Canadian farmers especially to horticultural growers?

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri–food, Lib.): Mr. Speaker, I thank the member for Niagara Falls for his continued interest.

We are certainly pleased that later today the government will be announcing a new and revised pesticide regulatory system in Canada which will be under the direction of the Minister of Health.

The system we already have is one of the most rigorous in the world today. However we are going to improve that even further so that the availability of products to our horticultural producers, our foresters and all Canadians will be provided in a more efficient, more cost effective, environmentally safe and competitive manner so that we will all be better off.

* * *

TRANS–CANADA HIGHWAY

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, my question is for the Minister of Transport.

I have been informed that the new plan for the Trans–Canada Highway through New Brunswick is on the desk of the premier of the province of New Brunswick and he is negotiating with the federal government for funding for same.

• (1500)

The proposal cuts off the largest industrial base in the province of New Brunswick, the city of Saint John. I am informed that it costs over $1 billion to go through the base.

There is another route and that is the existing route—

The Speaker: The hon. member's question, please.

Mrs. Wayne: Will the Minister of Transport confirm to this House that his government will not be part of a cost sharing agreement for the TCH in New Brunswick that will cost the taxpayers $1 billion when the present route can be built for $200 million which ensures that all the three major cities, Saint John, Fredericton and Moncton, are treated equally and are connected to the U.S. border with a four–lane highway from St. Stephen?

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, I want to thank the hon. member for her question because I know it may be one of the last questions she raises in the House. I understand she is looking forward to replacing Dennis Cochrane in New Brunswick as leader of the Conservative Party and thereby reducing the Conservative caucus in this House by 50 per cent in one crack.

With respect to highway construction in New Brunswick, as is the case everywhere else in the country, the hon. member would be aware that it is a provincial jurisdiction. If the Government of Canada is able to participate, we certainly will try.

As far as the routing of the highway is concerned, because of the nature of the provincial jurisdiction she would have to negotiate that in her new incarnation in the legislature of New Brunswick with Premier McKenna.

POINTS OF ORDER

COMMENTS DURING QUESTION PERIOD

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, during question period the minister of aboriginal affairs made some statements about my conduct as a member of Parliament in that he suggested I was carrying on with public consultations without consulting with aboriginal or native people in my riding.

This is patently false and I would ask that you ask the minister to withdraw these remarks.

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, mine was the same point of order.

I would like to correct the geographic error I made. I have three, sometimes two, critics in the Reform Party sitting in the same area, the hon. member for Prince George—Bulkley Valley and the hon. member for Skeena. Both ridings abut. The member for Prince George—Bulkley has 11 First Nations and the hon. member for Skeena has 23, 30 per cent of his population.

There was a meeting called 'let the people speak'. There was a panel set up and notices were sent out. The notices did not go to any aboriginal people in the riding and no aboriginal people were asked to sit on the panel.

It was the riding of Prince George—Bulkley Valley and not the riding of Skeena. I apologize on a geographic error but certainly not for the sentiment expressed.

The Speaker: I hope the matter has been cleared up. There was an error in geography. This is what the hon. member was referring to.

Mr. Scott (Skeena): Mr. Speaker, the minister talks about my having a meeting in my riding. If he examined the facts I had several meetings in my riding and I personally invite—

The Speaker: We will have the usual question for Thursday.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, I would like to ask my hon. colleague, the Leader of the Government in the House of Commons, to announce the business of the House for the coming week.

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, it is our intention this afternoon to continue with the motion regarding the 51st report of the procedure committee on redistribution legislation.

We will then resume consideration of second reading of Bill C–65, the government organization bill with respect to organization and reduction of certain government agencies, followed by second reading of Bill C–67 to reform the veterans appeal board process, and second reading of Bill C–61, the agriculture bill.

• (1505)

On Friday we will commence the report stage of Bill C–37, the young offenders legislation. On Monday we will deal with the report stage and, if possible, third reading of Bill C–59, the income tax bill. If this is completed we would revert, if necessary, to Bill C–37 or, as the case may be, to the list given for today at whatever point we leave off at the time of adjournment this evening.

Tuesday and Wednesday of next week shall be allotted days.

Finally, I shall consult with my colleagues opposite early next week with regard to the business for next Thursday and Friday.

* * *

PRIVILEGE

ORDER PAPER QUESTIONS—SPEAKER'S RULING

The Speaker: I am now prepared to rule on the matter raised by the hon. member for Delta, on December 13 and December 15, 1994 regarding the response and supplementary response of the Minister of Fisheries and Oceans to Order Paper Question No. 82. I would also like to thank the hon. member for his very detailed written submission dated February 1, 1995 which served to clarify his remarks in the House.

I wish to state at the outset that having reviewed all that was said in the House as well as the answers to the question printed in the debate, I remain of the view and must reiterate that this is not a prima facie case of privilege.

[*Translation*]

Before explaining my decision, I would like to draw members' attention to citations 31(1) and 31(2) in Beauchesne's Sixth Edition, which state:

> (1) A dispute arising between two members, as to allegations of facts, does not fulfil the conditions of parliamentary privilege; and
>
> (2) The failure of a minister to answer a question may not be raised as a question of privilege.

[*English*]

Although I have not found a prima facie case of privilege, I want to comment on this matter for the benefit of the hon. member and of the House. Beauchesne's sixth edition, citation 403 states in part:

Speaker's Ruling

> The House recognizes two broad categories of questions—the oral question, which the Standing Orders recognize as dealing with matters of urgency, and the written question, which is designed to seek detailed information from the Ministry.

I emphasize the last phrase because the purpose of the written question should be to seek and receive precise, detailed answers to carefully worded questions.

In his representation the hon. member for Delta stated that members expect the responses to Order Paper questions to be accurate and well reasoned. He noted that the question he submitted was one requiring detailed study by the government and was one for which he wanted a detailed answer. He also argued that it is incumbent upon the government to provide not only the questioner but the House with accurate information. In this the hon. member is absolutely correct.

[*Translation*]

The wording of Standing Order 39 itself gives us further information about the nature of this type of question. It reads, in part, that members may put questions to the ministry "—but in putting any such question or in replying to the same no argument or opinion is to be offered, nor any facts stated, except so far as may be necessary to explain the same; and in answering any such question the matter to which the same refers shall not be debated." Because questions on the *Order Paper* are not meant as a vehicle for debate, the rule expressly prohibits the inclusion of opinion or argument, the very things which lead to debate.

[*English*]

The Clerk of the House, acting on behalf of the Speaker, has the full authority to ensure that questions placed on the Notice Paper are coherent and concise, in accordance with practices of the House.

• (1510)

As Speaker Fraser noted in a ruling on October 2, 1991 at page 3147 of the *Debates*, questions are scrutinized as to the correctness of their form and content before they are placed on the Notice Paper. To aid members as well as the Clerk and his staff in ensuring that questions for the Order Paper are properly formulated, citation 428 of Beauchesne's sixth edition lays down an extensive list of restrictions applicable to written questions. It is, however, incumbent upon the members submitting a question for the Notice Paper to ensure that it is formulated carefully enough to elicit the precise information sought. There are, however, no similar provisions in the Standing Orders for the Speaker to review government responses to questions posed.

In the present case we are dealing with a matter of the interpretation of the wording of a question placed on the Order Paper. The hon. member for Delta anticipated a particular reply which was not the reply tabled in the name of the hon. minister. The member contends that the written response provides erroneous information. He argues that he has found discrepancies between the minister's response and information contained in documents he has obtained through the Access to Information Act. For his part the hon. minister maintains that every effort has been made to answer the question posed by the hon. member for Delta.

I remind all hon. members that we have a tradition that what is said in the House or placed on record in the House is accepted as true. My predecessor, Speaker Jeanne Sauvé, phrased it aptly when on February 28, 1983 at page 23278 of the *Debates* she stated that it is not the role of the Chair "to determine whether or not the contents of documents tabled in the House are accurate".

[*Translation*]

Joseph Maingot in his book *Parliamentary Privilege in Canada*, at page 199, summarizes well the situation faced by the Speaker in such circumstances. He writes that before the Speaker can find a prima facie case of privilege in a situation where there is a dispute about facts, there must be "—an admission by someone in authority, such as a minister of the crown or an officer of a department, an instrument of government policy, or a government agency, either that a member of the House of Commons was intentionally misled or an admission of facts that lead naturally to the conclusion that a member was intentionally misled, and a direct relationship between the misleading information and a proceeding in Parliament."

[*English*]

This is not the first time there have been disputes over replies to Order Paper questions or over the content of documents tabled by the ministry. For example, I refer hon. members to three rulings, the first on February 28, 1983 at pages 23278–9 of the *Debates*; the second on February 21, 1990 at page 8618; the third on May 15, 1991 at page 100. I must point out, however, that in none of these cases was the matter found to be prima facie. As Speaker Fraser noted in the May 15, 1991 ruling:

> The hon. member has raised an issue which is not an unusual kind of issue to raise. The hon. member is not satisfied with the response given. The difficulty that is always with the Chair in these cases is that there are often very great differences of interpretation on answers given. It is not a question of privilege, it is a question of disagreement over certain facts and answers that were given.

This precedent holds true in the case now before us.

Questions on the Order Paper are a very important tool in the hands of members. As I stated earlier, their purpose should be to seek through a precise, detailed formulation precise, detailed information that will enable members to carry on their work. It is incumbent upon all those involved on both sides of the process—the members formulating the questions, House officials reviewing those formulations, the individuals drafting the replies and the ministers of the crown tabling those replies in the

House—to ensure that every care is taken so that these exchanges remain as fruitful and as useful as possible.

I want to thank the hon. members who intervened in this matter.

GOVERNMENT ORDERS

• (1515)

[*English*]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

The House resumed consideration of the motion.

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, it gives me great pleasure to rise in my place today to discuss the report of the Standing Committee on Procedure and House Affairs regarding redistribution.

I would like to congratulate the committee for its very thoughtful report. The conclusion of this report as far as I understand it is basically the result that we are going to create six new electoral ridings in Canada.

I had the honour to appear before this committee on June 24, 1994. The substance of my submission to the committee at that time was very similar to my thought process today. The bottom line is that the people of my riding and indeed the people of Canada do not want to see any further increase in representatives in Canada's federal House.

As we look out at industry today the buzzword is downsizing. Everyone is becoming more efficient, more effective. We are analysing the civil service, finding ways it could be more effective with the labour force it has. We have a freeze going on in the civil service to make it smaller and more effective. Today bigger is not necessarily better.

I refer to an old bad joke that Canadians often quip on the hustings: It is fortunate that Canadians do not get all the government they pay for. It is a bad joke, but it is a bad joke on the people of Canada, the taxpayers of Canada.

Today we have telecommunications and all kinds of communication media to access our ridings and the people of Canada. I have become a great user of the information highway, the Internet. I can go to my office this afternoon and broadcast a message across Canada. These are the kinds of efficiencies we have to bring to government and to the House of Commons.

I spend roughly 80 per cent of my staff's time in the riding dealing with roughly 10 per cent of the population base. Obviously members can increase their constituency size, the number of members and constituents they deal with, without an effective increase in the cost of operations.

I look at my own particular riding of Durham which takes in a number of other political jurisdictions. Along with myself, there is one senator. We have five MPPs in Queen's Park. We have a regional government of 32 members. We have 66 mayors and councillors. The question of course is: Is this type of governance giving us better representative democracy in Canada? What do other jurisdictions do?

As I mentioned in my submissions to the committee in June, a fair comparison would be that of our southern neighbour, the United States. In 1911, 84 years ago, almost 100 years ago, the United States capped its system of representative democracy with 435 representatives in Congress and 100 senators.

In Canada, we have one federal representative for every 75,000 people. In the United States, it is one for every 465,000 people. The U.S. manages its system much the way we manage ours. Every 10 years it has a census and it redistributes within the existing system. Some states get more representatives and some less, depending on their population growth.

• (1520)

If we continue our current arithmetical formula, obviously this House is going to extend out on to the Ottawa River. We have over half as many representatives as the United States, yet it has 10 times our population.

I read in the report on page four comments regarding a cap or reduction as not feasible at this time. On page five I read that to change the electoral process significantly would be highly disruptive at this time.

I thought that as members of Parliament we came here to make decisions and that was what we were being paid for. Maybe we are saying we cannot make decisions and we need more members to make them for us. I do not know if that is what we are trying to put across here. I do not believe the people of Canada want any further increase in representatives.

There are basically two issues of concern here. One has been represented by some of my Reform colleagues which is to reduce the actual numbers of federal members of Parliament. The second one is a proposal by the committee that is basically to increase the representation by six members.

I have a better solution that is somewhere in between. This is Canada's constant striving for compromise. I also recognize there is a problem as was mentioned in the committee report itself. A grandfather clause signed back in 1986 with a number of the provinces stated that reductions in the seats by provinces would not change beyond the 1986 level. It is clear that agreement has to be revisited and renegotiated. I am suggesting

that has to be renegotiated and revisited now, not some time in the future.

Six more members of Parliament, people have suggested to me, might cost as much as $6 million. That does not mean that members of Parliament get $1 million a piece, but when we start adding up the duplication in services, duplication in staff, et cetera, we find there is a tremendous increase in cost. My constituents and I are very supportive of reducing the cost of governance.

The problem basically has to do with mathematics. Unfortunately in this House we seem to have a lot of problems dealing with mathematics. In my office this morning I took the existing level of seats and the popular vote and reduced both the seats and the population base taking into account the senatorial floors of the existing provinces that are already at their senatorial floors. From that figure I also subtracted the 75 seats that are now represented by the province of Quebec. After this mathematical formula takes place, the 75 seats roughly equal the 25 per cent of the population base of Quebec as related to the total population of Canada.

The bottom line is a result like this: It would add one seat to the province of Alberta, two to the province of British Columbia, but would reduce by three for the province of Manitoba, increase by six to Ontario, and reduce by four to Saskatchewan. New Brunswick would have no change. Newfoundland would lose one seat. The Northwest Territories would remain unchanged, as it is already at its senatorial floor. Nova Scotia would lose one seat. Prince Edward Island would be unchanged. Quebec would be unchanged. Yukon would be unchanged. The sum total is 295 seats, what we have here today.

Looking at population statistics there is no deviation. Looking at the 1991 census there is no deviation in those provinces greater than 1 per cent of the total population of our country. In other words, it is representation by population which is basically what we are trying to achieve.

• (1525)

I have not dealt with the aspect of distribution within provincial boundaries, the differences between rural and urban areas. Presumably we can follow the guidelines of the report, using an electoral boundaries commission in concert with the provinces.

In conclusion, it is clear to me that the people of Canada do not want an increase in the number of members of Parliament at this time. It seems to me that we should possibly rethink this and go back to see whether we cannot renegotiate that grandfather clause.

I have found there are too many decision makers and not enough decisions being made. Let us refocus our attention to making this a reality today and not pass the decisions off on some future Parliament.

[*Translation*]

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, I would like to ask the hon. member to clarify what he just said about renegotiating grandfather clauses in the Constitution of 1867. Perhaps he could explain what he had in mind.

[*English*]

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

I was not actually referring to the Constitution Act. I was referring to a separate agreement which I believe dates to 1987. It is a fairly recent agreement with some of the provinces and basically said that from 1987 onward there would be no reduction in their seats. It is not actually in the Constitution Act; it seems to be a separate agreement with some provinces that they simply would not be reduced from what they were in 1987. It is not a constitutional amendment.

[*Translation*]

Mr. Lebel: Mr. Speaker, could the hon. member perhaps explain what he was referring to, if it was not the British North America Act of 1867? I would like to know under what legislation these provisions were made. I ask this with all due respect for the hon. member from the Liberal Party. I was unaware until now that such legislation existed.

[*English*]

Mr. Shepherd: Mr. Speaker, I am simply reading the committee report. On page 7 it reads: "Issues such as senatorial floor and the grandfather clause whereby no province can lose seats from the number it had in 1986". The report is available from the committee. That is basically what it says. Obviously it is referring to a specific grandfather clause which existed and dated from 1986 onward.

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I am pleased to have the opportunity to speak in favour of the government's motion for concurrence in the 51st report of the Standing Committee on Procedure and House Affairs.

It should be noted that the bill included in the report before us is the result of the first use of the new procedure under the Standing Orders of the House of Commons whereby a committee can be instructed to prepare and bring in a bill. Standing Order 68(4) to (8) which was approved by the House on February 7, 1994 sets out a process for committees to draft legislation.

On April 19, 1994 the House of Commons adopted the following motion:

> That the Standing Committee on Procedure and House Affairs be instructed to prepare and bring in a bill, in accordance with Standing Order 68(5), respecting the system of readjusting the boundaries of electoral districts for the House of Commons by electoral boundaries commissions, and, in preparing the said bill, the committee be instructed to consider, among other related matters, the general operation over the past 30 years of the Electoral Boundaries Readjustment act, including:

(a) a formula to cap or reduce the number of seats in the House of Commons;

(b) a review of the adequacy of the present method of selection of members of electoral boundary commissions;

(c) a review of the rules governing and the powers and methods of proceeding of electoral boundary commissions, including whether those commissions ought to commence their work from the basis of making necessary alterations to the boundaries of existing electoral districts wherever possible;

(d) a review of the time and nature of the involvement of the public and the House of Commons in the work of electoral boundary commissions;

That the committee have the power to travel within Canada and to hear witnesses by teleconference; and

That the committee report no later than December 16, 1994.

• (1530)

The committee reported to the House earlier than that, on November 25, 1994 when the chair presented the 51st report of that committee to the House. As a new member of the House I am delighted that committees now have this power to develop and bring forward legislation of this and other types.

I would also like to thank the Chief Electoral Officer of Canada, Mr. Jean–Pierre Kingsley, his staff and the staff of the committee and all the witnesses who appeared before the committee, including fellow members of this House, for their expertise and advice which were invaluable in assisting the committee in its consideration of the various complex and sensitive issues with which that committee had to deal.

Turning to some of those issues, the report says: "Many members of the committee reluctantly came to the conclusion that a cap or reduction in the size of the House of Commons is not feasible at this time". Significant among the reasons given for that conclusion which appear to be counter to the instructions that the committee was given by the House—

Mr. Hermanson: Mr. Speaker, I rise on a point of order. I am sorry to interrupt, but I believe the hon. member who is speaking is wearing a campaign pin for the Liberal candidate in Ottawa—Vanier. I know that maybe the Reform Party candidate is giving him a hard time but I would prefer he follow the instructions in the orders of the House.

The Acting Speaker (Mr. Kilger): Forgive my questionable eyesight if in fact the hon. member for Peterborough is wearing such a label or tag. I see he has removed whatever that pin was. We thank him for his co–operation and we return the floor to the hon. member for Peterborough.

Mr. Adams: Mr. Speaker, I apologize to the member and the members opposite. I was canvassing this morning and I forgot to change before I came in. I apologize.

It is not possible at this time to cap or reduce. Hon. members concluded that the establishment of such a cap or reduction would require all provinces to agree to the amendment of section 51 of the Constitution Act of 1867, in order to eliminate the requirement of proportional representation among the provinces, and the amendment of section 51A of that same act to eliminate the so–called Senate floor provision which ensures that no province shall have fewer members of Parliament than it has senators.

Any cap or reduction would unfairly penalize provinces with growing populations unless constitutional guarantees of disproportionate over–representation for provinces with smaller or declining populations were abolished. The abolishing of such guarantees could result in a sudden and drastic loss of representation by provinces with smaller or declining populations and by large, sparsely populated rural areas anywhere in Canada, including in the north.

The committee's decision means that the current compromise system of calculating the number of seats in the House of Commons will apply to the redistribution of seats based on the results of the 1991 census. The small increase in the number of seats from the current 295 to 301 would appear to be reasonable, given the overall increase in the population of Canada. Two of the six new seats will go to the fast growing province of British Columbia and four more to populous Ontario.

• (1535)

The committee does not recommend any changes in the structure of the federal boundary commissions. The chair of each commission would be appointed by the chief justice of the province and the other two members would be appointed by the Speaker of the House of Commons as has been the case in the past.

However, the bill which has been prepared by the committee provides for the Speaker to publicize the upcoming appointments and solicit applications. The Speaker would be expected to hold a wide range of consultations before making any appointments. The Speaker would then table his or her appointments in the House of Commons where a procedure would exist for 20 or more members to request a vote on any individual appointment. In the absence of a negative resolution, the appointments would be final after 10 sitting days. I am in full agreement with this opening up of the appointments process which has been recommended by the committee.

With respect to the powers, processes and proceedings of the federal electoral boundaries commission, it should be emphasized that a major reason for the suspension of the redistribution process last year and the approval of the order of reference of the Standing Committee on Procedure and House Affairs was the perception by many Canadians, and I include many of my constituents among them, that they had been excluded from the process.

Many people felt they were suddenly surprised by extensive proposals for major changes in electoral boundaries without having had any opportunity to influence the content of those proposals. That was certainly the case in the riding of Peterborough.

The recommendations contained in the report now being debated are designed to ensure that Canadians have a better opportunity for fuller participation in an improved redistribution process based on the 1991 census. Among those recommendations are the following.

In order to ensure that the public is better informed about the redistribution process from the outset, electoral boundary commissions "should provide general information about the redistribution process and statistical information on the province and census results as well as a general statement describing the manner in which it intends to proceed with the readjustment of electoral boundaries. Interested parties would then have 30 days in which to submit comments on the general parameters of the process".

Electoral boundaries commissions would be required to prepare three plans and maps showing alternate ways in which boundaries could be drawn rather than a single map that was proposed in the past.

There is also a provision for a second round of public hearings on the proposed boundaries recommended by a commission if the changes which result from the first round of public hearings are significant. The second set of hearings could be held if the commission or the Chief Electoral Officer so decided.

Members here will be interested to know that they will in future be on equal footing with other residents of Canada with respect to the proposals of commissions when the requirement that the commissions' proposals be tabled in the House of Commons for debate and study by a committee is eliminated.

The time period between the proclamation of a representation order based on the final report of the commissions and its coming into force will be reduced from 12 months to 7 months. This delay is provided in order to give Elections Canada, returning officers and political organizations time to reorganize their operations on the basis of the new electoral boundaries.

On the subject of the actual drawing of electoral district boundaries during the course of redistribution, I am especially interested in and support the committee's recommendation with respect to the factors which must be considered by electoral boundary commissions. I refer here to community of interest, manageable geographic size for districts in sparsely populated rural and northern regions of the province, and the probability that there will be a substantial increase of population within those areas over the next five years.

They would also be directed to recommend changes to existing boundaries only where these factors are sufficiently significant to warrant them.

Community of interest is more clearly spelled out in the bill prepared by this committee.

● (1540)

Clause 19(4) provides that "community of interest includes such factors as the economy, existing or traditional boundaries of electoral districts, the rural or urban characteristics of the territory, the boundaries of municipalities or Indian reserves, natural boundaries and access to means of communication and transport".

In my riding, the township of Ennismore and the First Nation of Curve Lake were specifically put at a disadvantage because community of interest was not defined in this way in the previous attempt to reallocate those boundaries.

These provisions should ensure that future electoral boundaries commissions will be obligated to consider the factors specified which should result in the drafting of more reasonable and acceptable boundaries.

In an effort to minimize the possible effects on electoral boundaries of changes in population recorded as a result of the major 10–year census which is conducted in the years ending with a one, 1991, 2001 and so on, the committee recommends that there should be redistribution of electoral districts within provinces on the basis of the five–year census. Those are the census which take place in the years ending in six, 1996 and 2006. In those years, although there might redistribution within a province there would be no change in the number of electoral districts in that province.

In a further effort to minimize the possible effect of population changes recorded as a result of the major 10–year census, the committee also recommends that no electoral boundary commissions should be established where no significant changes in population have occurred. If the number of electoral districts to which a province is entitled remains unchanged as a result of the 10–year census and none of the existing districts is above or below the 25 per cent provincial quotient, no commission would be established.

In the case of the five–year census a commission would only be established if more than 10 per cent of a provinces electoral districts vary by more than 25 per cent from the provincial quotient.

I know this is very clear to you, Mr. Speaker, but I would like to explain a little bit further. While the committee has not recommended any change to the maximum possible population deviation at 25 per cent above or below the provincial quotient established as the ideal average population for electoral district as a result of the 10–year census, the committee does recommend the elimination of the provision which permits an even greater deviation in exceptional circumstances.

However, the committee does recognize that there may be exceptional circumstances by recommending that electoral districts whose population deviation is greater than the permissible 25 per cent should be specifically set out in a schedule to the legislation which can only be amended by an act of Parliament. The exceptional ridings will be listed separately and can only be changed by an act of Parliament.

It is essential that the process of readjustment of electoral boundaries be completed so that the next federal general election, which is expected to take place in 1997 or 1998, be contested on the basis of electoral districts whose boundaries fairly reflect their populations as established by the 10–year census that was conducted in 1991.

It would be grossly unfair to residents in areas where they have been major changes in population if that election was contested on the basis of the present electoral district boundaries which were established on the basis of the census of 1981.

I am delighted to have the opportunity to speak in this debate and I would be glad to attempt to answer questions or engage in discussion with members.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I was interested in the member's presentation which of course was excellent.

As the member knows, the population of Canada in our centennial year of 1967 was approximately 20 million people. We were quite proud of the 20 million that we accomplished at our centennial. Approximately 30 years later our population is about 30 million.

• (1545)

We have increased by 10 million people in 30 years. Looking forward from the 1991 dicennial census to the 2001 dicennial census our population could very well increase by 3 million people. We are in the guessing game but it is a fair guess.

At the current time we have about one member of Parliament for every 100,000 residents of the country. That means by the year 2001 perhaps we will need one dozen, two dozen or as many as 30 more members of Parliament if we do not restrain the growth of the House of Commons.

Can the member condone this piece of legislation which does not deal with that pressing problem?

Mr. Adams: Mr. Speaker, I appreciate the comment. I think the member knows that one of the reasons this matter of electoral boundaries is so debated in this country compared with some others is the one that he has put his finger on, the fact that this is a growing country, that it is going to continue to grow.

There will always be debate on the appropriate size of ridings in a country like this. We have the additional problem that we have huge areas as the member knows from his own province that many people in the cities think are empty but which are fully occupied by aboriginal people and other Canadians, yet in very small numbers.

We constantly have to ask how those people should be represented in comparison with people in the very large cities like Vancouver, Toronto, Montreal and so on. It will always be a matter of debate.

The suggestion here is a reasonable compromise. It is going to involve an adjustment for the next 10 or 15 years of a few seats in the House of Commons to recognize the enormous growth in British Columbia and the continued growth in the province of Ontario.

There is one more thing I would like to say. He mentioned 18 to 67. Another variable in this has to do with communications and the way in which we, the member included, represent our ridings.

There was a time as the member knows when the people in the west all came here and spent their winter in Ottawa. They did the best they could even without telephones to represent the people of the west.

The hon. member flies. I drive three and a half hours to my riding once or twice every week. I am on the phone every day. I have a fax machine. I am on the E–mail. The member is speculating but in 20 years it may well be that members of this House can represent more people even more effectively than we can because of the change in communications.

I am sure members of the House then will deal with that matter and like us will change the legislation to adapt to those new modern times.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I certainly agree with the comments that the member for Peterborough made. I would welcome him out west to the province of Saskatchewan to see how well we are able to serve our constituents considering the technology we have.

We have this immediate problem of an expanding House of Commons. I want to ask the member where we are going to put the extra seats. Are we going to put them in the middle here? Are we going to put them in the gallery, behind the curtains? We have some constitutional issues to deal with.

Some of these we can deal with as the House of Commons. Some do not need provincial ratification. This is an immediate problem.

If we wait 10 years we exacerbate the problem and suddenly we are trying to find place for 30 or 40 more seats in this House. Are we going to renovate? What is his solution?

Mr. Adams: Mr. Speaker, I do not see this matter of representation in terms of seats and in terms of furniture. If I felt that it was necessary to take over the Senate, for example, which might not be a bad idea, I would take it over and there are plenty of seats there.

The suggestion here is for six more seats. I am absolutely sure that we can find space for six more seats in this Chamber. I would think we could find more. The problem is not seats. It is whether, for modern times, an adjustment of six is worthwhile so that we can better serve the people of Canada.

• (1550)

The member is right. I expect this to be a phenomenally growing country in the next several decades and I expect Parliament of that day to deal with the conditions of that day. At the moment we are trying to deal with growth over a 10, 15 or 20 year period. I think six more seats in the two provinces I mentioned is a reasonable compromise to that.

The proposals come from a standing committee of this House. It is not something that has been brought forward to the government as has been the case in the past. We should respect our colleagues on the standing committees who struggled with this matter for a number of weeks and months.

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, I appreciate the opportunity to be able to say a few words today on procedure and House affairs committee report and the government's request for concurrence in that report dealing with a study of the electoral boundaries readjustment system.

I have a number of things that I want to say about the report and about the process. I also want to say in advance of those comments that I find it interesting that the government members in particular are so anxious to debate this issue at a time when unemployment is running rampant in our country, when globalization is threatening to take away the economic sovereignty of governments and when poverty is creating illness and lack of education in our country.

There are many issues, including those of international governance, that this House should be applying the majority of its time to, to ensure that the people of this country are able to secure employment, to build a quality of life, to educate themselves and their children, to relieve the nation of poverty and the stress of poverty and unemployment which creates, to a certain extent, crime in our streets and insecurity among many in our society.

The issue before us has some importance in and of itself, but if I were sitting on the other side of the House today I would be ensuring that the priority for debate was on those issues that directly affected the quality of life of the people of our country.

However, the bill is before us and as a result of that we certainly cannot ignore the opportunity to address the issues in front of us. In response to that I want to say that I sense a bit of a dilemma facing me as a member of this House because on the one hand I agree with those in this Chamber who today have argued in opposition to concurrence on this motion because I believe that the process that the government has undertaken here significantly disturbs a process that was working in this country and a process that could have been changed not by disrupting it but in addition to that existing process.

I also find myself in agreement with a number of the provisions of the committee's report; a number of provisions which I think will improve the adjustment process in the future. Let me take that in a bit of order and indicate that my preference today as I rise to speak and as I realize I will be called upon to vote shortly is to withhold concurrence on the committee report simply on the basis that the government's interruption of the process was uncalled for and seems to be, in the words of a member who spoke previously, the result of a panic that occurred as a result of Liberal members seeing the results of a boundary redistribution that they were unhappy with.

• (1555)

Granted I have a number of reasons to be concerned about the new boundaries that were created in my own province. Perhaps I will address that briefly before I sit down today.

However, I do not believe that arguments made in reaction to a map that was drawn or arbitrary lines that were drawn on a map is any reason to shut down the process and ignore the work and the regulations that had been established previously.

A number of things have been said today as well. I have listened to the debate reasonably carefully. I recognize a number of things have been said about the numbers of seats in the House of Commons. While that is not a part of this report, I do believe it is worth commenting on.

The mandate of the committee did include a responsibility to have a look at the possibility of restricting the numbers of seats and perhaps even reducing the number of seats in this place. I understand from the comments of the committee chairperson and from reading the report that the committee, not in its entirety but the majority, believes it was not feasible to discuss the cap at this time.

I come from the province of Saskatchewan and so I believe it is sometimes necessary to reduce the numbers of people who represent the population. However, since we are sitting in the federal House and there are more practical matters at work than simply the capping of the number of seats, we owe it to ourselves to look even beyond that particular issue.

When I mentioned coming from Saskatchewan I said that because I am very proud of the Saskatchewan government, the New Democratic Party government, which after it became elected set in motion a process which did reduce the number of seats in the Saskatchewan legislature. A colleague of mine from Saskatchewan earlier today alluded to the fact that Saskatchewan had done this.

The people of Saskatchewan have reacted positively to the move to reduce the number of seats in the provincial legislature. I have found in my own travel through my own constituency and elsewhere throughout Saskatchewan that it is not the numbers the people are concerned about, it is the representation. Listening and responding to the needs of the people are major concerns.

Certainly some have raised the issue of cost. In my own estimation the cost of running government is actually small compared with the cost of providing services and delivering on decisions that governments make. As a result, if we are able to listen and respond well the people of our province and of Canada will respond positively to a government or a political party that is prepared to do that.

In Saskatchewan the people and the government felt that a reduction in the number of seats was possible. They have embraced that concept. I believe, contrary to arguments made by the government side today, the people of Saskatchewan would also understand that if the number of seats in this Chamber were restricted in the future, our province would have a smaller number of members of Parliament and fewer individuals to represent their views in Ottawa.

I said earlier this has to be taken into a broader context. Representation by population in this country does mean that some regions, some provinces, some territories will receive less attention as a result of the number of people who can vote on issues. Therefore it is necessary for the whole concept of reform or the rebuilding of Parliament, not just the House of Commons, to be done as a unit at the same time.

• (1600)

If the House of Commons is to be reformed, if it is to be rebuilt under representation by population, I say without condition that I want to see that done in conjunction with and parallel to the reform or the rebuilding of the second chamber of Parliament. An elected and accountable Senate that would represent the regional or territorial interests of the country must occur at exactly the same as a redistribution of seats in Parliament.

While I believe the Chamber can debate and should be looking at the possibility of reducing its number of seats, in the future the committee must also take into account that it cannot be done in isolation. It cannot be done on its own, or the people of Saskatchewan and other provinces that may lose seats as a result of redistribution would have a grievance against a government which is not listening to the long term grievances of western Canadians about the lack of concern of the House of Commons wherein the majority of members voting on bills come from the more populated parts of the country.

A number of things I want to discuss in relation to the report have some positive aspects to them and are in direct relation to my feelings about how the redistribution process should occur. When speaking to the bill earlier today in his opening remarks the chairperson of the committee, the member for Kingston and the Islands, said that there were a number of problems with the system the committee was trying to correct.

He spoke about the proposed maps that come with no forewarning or opportunity for input from the public. He talked about commissions currently not being required to justify the rationale for their decisions. He talked about the lack of standard application of rationale across the country, that we had different decisions made by different commissions in different provinces across the country and therefore a patchwork of reasons for commission maps being produced in different parts of the country.

He talked about commissions making seemingly unnecessary changes to boundary maps when there were very few reasons for change. He talked about the size of the House and the growth of the numbers of seats. These were problems the committee wanted to address.

In this regard I want to talk about the beginning of the process. The chairperson of the committee was absolutely correct when he said that the public first comes upon the report of the commission when most of its work has been done. The public sees a single map, a redistribution based upon the commissioner's feelings about how that map should be drawn.

The proposed map is put before the electorate as a fait accomplis. It takes a considerable amount of work on behalf of the public, often in conjunction with members of Parliament, to come up with a good rationale for changing the maps presented by the commissions.

• (1605)

The committee has done a fine job of responding by calling for an initial public notice of the beginning of the process and a twofold requirement that the commissions produce three maps with justifications for their decisions in each case. This will go a

long way to correcting one of the serious problems that affects the process as it exists today.

In Saskatchewan, The Battlefords—Meadow Lake constituency that I currently represent virtually disappears under the new map drawn by the commissioners in our province. If I agreed with the initial premise or the rationale of the commissioners, I would have no difficulty with the disappearance of my constituency. There would be an obvious determination on my part as to whether or not I would seek renomination and re–election in another constituency.

However, it is impossible to disagree under the current set of circumstances with the commissioners' original rationale for starting where they started to draw their maps. In Saskatchewan's case the commissioners decided, given that there were no new seats to be allocated, they would redraw the Saskatchewan map by giving the two urban centres, Saskatoon and Regina, an extra seat. Each of them currently have three seats. That meant that each of those major centres in Saskatchewan would be given, the commissioners argued, a fourth seat. Saskatoon and Regina would each have an urban and a rural part. All rural seats surrounding Regina and Saskatoon had to be pushed out a bit, pushed north and south a bit, and two of them squeezed out entirely. As a result The Battlefords—Meadow Lake and the constituency of Mackenzie virtually disappeared.

In order to argue the boundaries we have to argue the entire map of the province of Saskatchewan and the original rationale of the commissioners. If we have the opportunity to discuss that in advance we may feel that we have a lot more opportunity in the process. In fact we might indeed have a lot more input into the process.

While the current map exists and people in Saskatchewan are generally expecting the constituency boundaries to change, I want to stress the recommendations contained in the report in front of us. Perhaps someone can correct me if I am wrong, but if by June a new bill has not been passed the boundaries established by the current commission would stand. However, if the new bill were to pass by June, new commissions would perhaps be established based on the new rules set out in front of us. Therefore I believe the people of Saskatchewan will have to wait until the end of June to know whether there will be new boundaries for federal ridings within our province.

I do not believe the changes in the bill justify the suspension of the current process. I am quite prepared to work with the new boundaries that exist in our province.

• (1610)

I want to make a further comment before sitting down. I commend the Saskatchewan Boundaries Commission that currently sits on one count. It has created a northern seat that is separate and apart from an urban centre. I have criticized the commission and will criticize it in concluding my remarks today by indicating that it created that northern seat by pushing the boundaries surrounding the city of Prince Albert farther south. It had to do that using the available quotient to remove the urban centre of Prince Albert from that seat.

That created a northern seat with a fairly large agricultural and rural municipality component to it that has absolutely nothing in common with northern villages, the Metis and aboriginal communities in the north.

I applaud some of the changes made by the committee. I deplore the process the government has used here. I certainly look forward to what will occur over the next few months as the process continues.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I listened with great interest to my fellow member from Saskatchewan, the hon. member for The Battlefords—Meadow Lake. I agreed with the majority of the hon. member's comments.

He began by saying that he felt in Canadians' eyes that this was perhaps a low priority issue given the state of our economy and concerns over employment. I would add to that concerns over high deficits and high taxes. However, because of the self–interests of politicians, he and I both recognize the issue has come to the floor of the House of Commons.

I also heard him say he would oppose the proposal based on the principle that it was a matter of interference where interference was not required. I concur with his observation in that regard.

The hon. member talked about the fact that if we capped or reduced the number of seats in the House of Commons, Saskatchewan would have fewer seats than its current 14. I think the hon. member and I are approximately the same age; I am not sure who is older. However, when I was young the province had about 21 seats if I remember accurately. Now we are down to 14 seats and I expect, unless there are some constitutional changes, that floor will remain.

I am not sure what the number of seats in Ontario was at the time when we had 21 seats, but I know it was less than the 99 it now enjoys and we know it is now going up to 103 under the new proposal.

If we do nothing Saskatchewan will remain at 14. Ontario may increase its seats to 115 or 120 if we look far enough down the road. Saskatchewan is losing clout no matter which way we look at it as far as the number of seats in the House of Commons is concerned.

The member correctly reflected on the solution, which was Senate reform. I was pleased to hear the hon. member say that, because I thought members of the federal New Democratic Party were supportive of abolition of the Senate. I know that provin-

cial members, particularly western spokespersons for his party, have supported the triple E concept.

I wonder if the hon. member is supporting the triple E concept of Senate reform, one that is not abolished but rather is reformed so that it is elected, has equal representation from every province, and maintains the effective powers that would give clout to provinces such as Saskatchewan which, no matter what way we look at it, is going to lose clout in the House under the current scenario or under the past scenario whether we are looking at new legislation or the status quo.

Mr. Taylor: Mr. Speaker, I appreciate the opportunity the member for Kindersley—Lloydminster has given me to explain the position of New Democrats with regard to the Senate. Certainly we are asked about this frequently because there appears to be a contradiction when no contradiction exists.

New Democrats, myself included, have always called for and continue to call for the abolition of the unelected, unaccountable Senate. The fact that the Senate has failed to live up to all its obligations over its entire history with one or two exceptions gives us many reasons to believe that the Senate as it exists today must be abolished.

• (1615)

However, abolition of the existing Senate does not preclude the establishment of a new second chamber, a second chamber that has a new mandate, that is elected by the people of Canada, that provides representation to provinces, territories or regions, however it gets defined across the country, one that does have effective powers.

The key to all of this is the ability of the Senate to respond to these issues. The effectiveness of the Senate is a very important part of this whole package.

In response to the member for Kindersley—Lloydminster and to all others who have questions about this position, we believe very strongly in the rebuilding of the Senate to be elected and accountable to the people of Canada.

Mr. Hermanson: Mr. Speaker, I am not trying to monopolize the time. I do have a following brief question. I would encourage the hon. member to make sure his colleagues, particularly those in Ontario at the federal level, make it very clear to Canadians that they are not ambiguous in suggesting that in certain parts of the country they would abolish the existing Senate and replace it with a reformed Senate, and in other parts of the country indicating they would abolish it and not replace it. I would like to hear those kinds of responses from the premier of Ontario and federal representatives of the party in Ontario.

Mr. Taylor: Mr. Speaker, I would be happy to encourage my colleagues in the party across the country. I cannot help but think I would be very grateful if the premier of Ontario were to listen to all of the things I might have to say to him.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 45, the division on the question now before the House stands deferred until Monday at the ordinary hour of daily adjournment, at which time the bells to call in the members will be sounded for not more than 15 minutes.

Mr. Boudria: Mr. Speaker, I think you would find unanimous consent to further defer that vote from Monday at the time of adjournment until Tuesday at 5.30 p.m.

The Acting Speaker (Mr. Kilger): Is that agreed?

Some hon. members: Agreed.

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GOVERNMENT ORGANIZATION ACT (FEDERAL AGENCIES)

The House resumed from February 8 consideration of the motion that Bill C–65, an act to reorganize and dissolve certain federal agencies, be read the second time and referred to a committee.

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

Some hon. members: Question.

• (1620)

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

[*Translation*]

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

And the division bells having rung:

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 45(5)*(a)*, the recorded division on the question now before the House stands deferred until the usual time of adjournment on Monday, at which time the bells to call in the members will be sounded for not more than 15 minutes.

[*English*]

Mr. Boudria: Mr. Speaker, I think you would find unanimous consent to further defer that vote until Tuesday at 5.30 p.m.

The Acting Speaker (Mr. Kilger): The House has heard the suggestion. Is that agreed?

Some hon. members: Agreed.

* * *

VETERANS REVIEW AND APPEAL BOARD ACT

Hon. Lawrence MacAulay (for the Minister of National Defence, Lib.) moved that Bill C–67, an act to establish the Veterans Review and Appeal Board, to amend the Pension Act, to make consequential amendments to other acts and to repeal the Veterans Appeal Board Act, be read the second time and referred to a committee.

He said: Mr. Speaker, I am pleased to rise today to begin second reading on Bill C–67, an act to establish the Veterans Review and Appeal Board, to amend the Pension Act, to make consequential amendments to other acts and to repeal the Veterans Appeal Board Act.

The legislation is straightforward and its objectives are simple. We want to streamline the veterans pension application and make the decision making process an improved service to Canadian veterans.

The bill before us does not change benefits that veterans now enjoy, nor does it reduce the right Canadian veterans have to a complete and thorough appeal process with free legal assistance.

Veterans have been faced with long delays when they apply for pensions, sometimes very long delays. We know that those delays are usually caused by the elaborate process we have put in place. We want to simplify that process to provide veterans with their benefit as quickly as possible.

As most hon. members will be aware, veterans pensions provide compensation for service related injuries, wounds and disabilities. Civilians who served in close support of the armed forces during wartime may also be entitled to pension benefits.

Additional pension benefits can be paid to a pensioner's spouse or dependent children. Survivor pensions are payable to the spouse of a deceased pensioner.

This legislation will affect a wide range of people, veterans, their spouses, their dependents and others. More than half a million Canadian veterans are alive today and at this moment there are about 150,000 veterans or their survivors who are getting disability pension benefits. We get about 13,000 claims a year. That is a lot of applications. Canadian veterans are still applying for benefits in large numbers.

● (1625)

Some members of this House may be asking why we are getting so many applications almost 50 years after the end of the second world war. It is simply because many of the wounds and injuries received in the line of duty half a century ago are beginning to have a real effect on the lives of our veterans. The effects of those old wartime injuries have become more obvious, more painful and more difficult to live with, and now many finally have decided that maybe it is time to get some help.

These veterans have reached a time in their lives when the benefits available for the disabilities they received serving Canada so many years ago can make a real difference in their lives. They really need the benefits now. That is why we are processing so many applications.

We have also found that many of the applications are taking longer to process. Many are going through the appeal process because in the years immediately following their service in the armed forces it was easier in the average case to make the connection between the veteran's service and the resulting disability. As the years have passed it has become more and more difficult to find the link between service and disability.

I want to emphasize that the first benefit to which our veterans are entitled is the benefit of doubt. If there is a real doubt about whether a claim is justified, that doubt goes to our veteran. Our system is designed to help veterans by providing assistance in preparation of first applications, and that will continue to be the case.

The disability pension process was designed to be fair but the process was not designed to be fast. Now with the average age of our veterans at 73, these Canadians can no longer afford lengthy delays.

Under our current system successful disability pension applicants will wait on average 18 months for their first pension cheque, a year and a half. Clearly that is not good enough. If the

application is turned down and its appeal is successful it can now take up to three years. Clearly that is not good enough.

These delays are not the fault of the people who work with the current process. It is the fault of the process itself. We know that the only way we are going to catch up is to make the overall system more efficient.

There have been a number of attempts over the years by governments to make changes in the pension process. There has been some tinkering, or some small process has been changed. In some cases this has assisted the veteran but in some cases it has only added to the bureaucracy. Add to those problems the number of first applications we have and we have a situation which is simply no longer acceptable and must be changed.

Most veterans have reached the time in their lives when they want to enjoy their pension benefits. Surely they deserve that. Some will use the disability pension cheque as an added source of income in their retired years. Surely they deserve that. Others need the veterans benefits to obtain the medical services they need. Surely our veterans deserve that.

Over the past year we have commemorated many important events leading to the end of the second world war. I am very pleased and proud to be part of the 'Canada Remembers' program. This program makes Canadians and people around the world aware of the dedication and sacrifice our veterans made for us and for democracy around the world.

Canadians want our veterans to be treated fairly. They want us to do the right thing and they want us to do the thing right. Our veterans deserve that. Therefore, we will improve the process with the bill before us today.

• (1630)

At present a veteran applies directly to the Canadian Pension Commission or contacts the department or one of several organizations which will act on his or her behalf. Some veterans go to such organizations as the Royal Canadian Legion or the War Amps of Canada. Others go to the Bureau of Pension Advocates which is now involved in most of the applications for pensions. However immediate involvement of legal assistance at the point of first application almost assumes legal dispute.

It was certainly never the intention, however, just by providing legal advice at that point, to make it look as though we were going to contest the application. That is not what we want, that is not what Canadians want, and that is certainly not what our veterans want.

Canadian veterans should not need legal help to apply for pensions. With the passage of this bill they will not need such help. The need for legal advice and assistance will come in the appeal process.

Our lawyers in the Bureau of Pension Advocates are highly trained people. They will continue to work hard for Canada's veterans where their expertise is needed. Why have legal experts using their time in the detailed preparation of a case that is not going to be contested anyhow?

At present, the department receives the application on behalf of the Canadian Pension Commission and prepares a medical summary and opinion. It examines the degree of the disability and recommends the amount of assessment. In many cases it is obvious the applicant will be approved but the department cannot approve it. It sends the application to the Canadian Pension Commission. The CPC has to decide on two things, the first one being entitlement. Does the applicant have the qualifying service? Is the injury or condition likely to be a result of that service? Then, assessment. That is based on the degree of disability and it is a decision on how much pension to pay.

The Canadian Pension Commission makes its decision on those two issues: entitlement and assessment. It then passes the decision on to the department which informs the veteran and delivers any cheque or payment.

If the Canadian Pension Commission decides that the applicant is not entitled, the applicant can go before something called the Entitlement Board. If the commission had agreed that the applicant is entitled but the applicant does not agree with the assessment, there can be what is called an assessment hearing.

Both the board and the hearing are made up of members of the Canadian Pension Commission. If the applicant does not like either decision at this level he or she can appeal again. At this time it goes before the Veterans Appeal Board.

After all of that, we arrive at a final decision on whether a disability pension will be awarded and, if so, how much. The information goes to the department and then begins the process of having the first cheque delivered to our veteran.

In a nutshell, that is the system as it currently exists. It relies on the work of four different government bodies: the Bureau of Pension Advocates which provides free legal assistance when veterans apply; Veterans Affairs Canada which completes medical examinations, summaries and opinions, and does the administrative work, including preparing and researching files, communicating with clients and calculating and making payments; the Canadian Pension Commission which decides on first applications and then hears initial appeals; and finally, the Veterans Appeal Board which hears final appeals.

• (1635)

The system is thorough. The system is fair but the system is not fast. It can take up to three years from the time the veteran first applies until the first cheque is delivered. Our Canadian

veterans deserve better than that. We have been looking for ways of speeding up the process for a period of time.

In 1992 Veterans Affairs Canada completed an evaluation of the process. The following spring it consulted with major veterans' organizations, employee unions, staff and other stakeholders. The evaluation made 55 recommendations on ways to improve the pension process and we have implemented those that we could.

Now has come the time to act on those recommendations that need legislation, the long term recommendations that streamline the process.

The legislation before us acts in three broad ways. First of all, Veterans Affairs Canada, the department, makes the first decision. In many cases veterans affairs employees will be able to counsel and assist veterans with pension applications in their own homes and communities.

Second, the Bureau of Pensions Advocates becomes part of the Department of Veterans Affairs. The bureau will no longer be involved in first applications, therefore the bureau's lawyers would concentrate on helping veterans in the appeal process.

The third broad area concerns the appeal bodies. As I have said, the Canadian Pension Commission hears first applications. If first applications are now to be heard by the department, then the Canadian Pension Commission in handling only appeals would have the same mandate as the Veterans Appeal Board. This legislation merges the two agencies into one body. The Canadian Pension Commission and the Veterans Appeal Board will be combined into the Veterans Review and Appeal Board to hear appeals at the first and if necessary the second level.

I want to emphasize that we maintain two levels of appeal. However, we do it with much more flexibility built into the system. We will have board members who are not locked into just one level of appeal, meaning that we can utilize the board members' time with maximum efficiency.

Some members of the new board will be deployed across the country to hear initial appeals. If the applicant wants to continue the appeal process, final appeals will be heard by different members of the same board. We will again speed up the appeals process by combining the expertise of both former agencies and having them concentrate only on appeals, not on first applications.

One overall theme is important to all these measures. We will maintain all veterans' benefits and appeal rights. Decisions will still be based on the principle that veterans receive the benefit of the doubt. Two appeal levels will continue to be available.

The Government of Canada spends about $1.1 billion on disability pensions. Nothing in these proposed changes will affect the amount of money veterans receive through the process.

Our only objective is to make sure that the veterans get their applications dealt with faster. I am sure the House will agree that our veterans deserve this. I know we all recognize the debt that Canadians owe to our veterans. Veterans deserve their disability pensions and this is the time when many veterans need them the most.

I hope all members of this House will join me in supporting this bill because this is an occasion where we, together, can further help those who have served our country so well. Surely our veterans deserve that.

• (1640)

[*Translation*]

Mr. Maurice Godin (Châteauguay, BQ): Mr. Speaker, I am pleased and honoured to speak today on behalf of the Bloc Quebecois during the debate on second reading of Bill C–67. This bill is of paramount interest to veterans. I have just listened to the secretary of state and I share his desire for continued recognition of all those who kept war away, maintained peace and continue to enrich our society through their community involvement.

We owe a lot to the veterans and that is why all of us, regardless of party, want to improve their living conditions. Canada has not failed in its duty. From the very start, it established and maintained resources for veterans.

These resources became more structured after the first world war. A system of pensions was born. Pensions were awarded according to disability criteria established by an independent body. It was not long, however, before criticisms were raised.

The main criticism, still heard today, concerns the delays in the pension process. This issue was given a hard look in the 1980s. In chapter 13 of his 1986 annual report, the Auditor General of Canada established that the disability pension process took an average of 13.2 months. The delay was criticized at the time. The Auditor General proposed improvements in efficiency, including automating the process and computerizing files. It was felt these measures could increase productivity by 25 per cent.

In 1987, legislative reform to do with the Veterans Appeal Board brought a flood of optimism. The Minister of Veterans Affairs at the time took the opportunity to affirm his confidence in the processing of pension applications. He said, on June 26, 1987, in the House, and I quote: "Hon. members will be aware of the substantial progress that has been made in reducing delays in the disability pension process. In the last two and one–half

years the time required to process pension applications has been cut by well over half. At the same time, a far greater percentage of decisions are going in favour of the veteran today than was the case previously".

The Conservative minister, the Hon. George Hees, went further, and I quote: "These very satisfactory results have been achieved in the face of an almost 100 per cent increase in case load. It is quite a remarkable feat for any operation to double its work–load while slashing its turnaround time by over half".

After an exclamation like that, all opposition members applauded. Even the Auditor General of Canada in his 1988 report estimated that the follow–up to his 1986 audit examination was adequate. He indicated, and I quote, "The department took positive action after making a decision on the best way to handle each case".

Yet we are sceptical now of this great optimism. Consider for instance that, according to the most recent studies, in 1992 the process took on average 18 months from the time of the initial application until the first decision. We believed things were better but that was not the case. To an ageing veteran, such a delay is incredible and unacceptable.

The longer waiting periods can be attributed to several factors. Numerous studies cited the department's move to Charlottetown in 1984 as a major one. The most recent of these studies, conducted at the department's request in 1993, also indicates very clearly the context of such delays and the accumulated backlog.

• (1645)

At this point, I would like to quote an excerpt from volume 4 of that study. "The move to Charlottetown gave rise to a significant loss in the organization's memory and technical skill. Partially in response to this loss, additional quality control procedures and steps were added to prevent serious errors on the part of employees not sufficiently familiar with the process or lacking full training. In time, some of these additional control measures and procedures took root, with the result that applications are now to a great extent processed sequentially and manually, which takes an unnecessarily long time".

Another important factor merits consideration. From 1982 to 1990, that is for nine consecutive years, the number of first applications increased continuously and regularly. For each of those eight years, the number of first applications increased on the average by close to one thousand. The number of first applications has gradually increased from 5,300 in 1982 to 14,100 in 1990.

Everyone will agree that a pension allocation system, regardless of how efficient it is, cannot do any better than its original capacity permits when it has to process 14,100 first applications in 1990, as opposed to 5,300 in 1982. Because of these factors, processing takes longer, and veterans, who do not have the time to wait, have to wait longer.

Therefore, we are in favour of the government's fundamental objective of reducing processing times and accelerating the process. This objective must take precedence over all other concerns.

However the official opposition wonders about the way with which the government proposes to attain this necessary objective. The bill proposes to merge the Canadian Pension Commission by transferring to the minister all jurisdiction over first applications on the one hand, and on the other, by transferring to the appeal board all staff and jurisdiction over the review process.

In the same breath, the government is bringing the Bureau of Pension Advocates back under the department's jurisdiction and has taken away from first–time applicants for veteran's benefits the right to approach the bureau for recourse.

Allow me to review the basic elements of the bill, starting with how it deals with the Canadian Pension Commission. The department proposes to eliminate, so to speak, the Canadian Pension Commission. The department justifies this measure by saying that the Canadian Pension Commission's favourable trial decisions were found to be consistent with favourable recommendations by the medical advisory services.

The department then questioned the existence of an independent commission which merely rubber–stamps the departmental services' recommendations. It then thought of replacing this commission with an initial decision at the departmental level and allocating commission resources to the review and appeal board in order to speed up the process.

We are concerned about this. For the first time since the pension allocation system is in place, initial decisions are subject to departmental authority. We understand that this measure is aimed at bringing the decision–making process closer to those directly affected. However, this measure to be implemented under departmental authority must respect the principle of impartiality at this stage. To process initial applications faster, we need to open up the decision–making process to those who do the work.

Another important element of this bill is the conversion of the Bureau of Pensions Advocates from an independent agency to just another organization within the Department of Veterans Affairs. This proposed conversion challenges government policy since 1971, when the bureau was set up outside the department in the name of openness.

We hope that this openness will be maintained for seniors applying for the first time who served many years ago. Of course, many things have happened and many laws have changed since then. We sincerely hope that removing this step will help veterans cut through departmental red tape. The report of the Senate sub–committee chaired by the hon. Jack Marshall,

which was released last autumn, reflects the scepticism this measure elicits.

• (1650)

The department intends to refer only cases heard after initial decisions to the Bureau of Pensions Advocates. In a way, this is like saying a veteran only needs legal assistance when he has to apply for review or appeal and when a decision, although favourable, is not satisfactory. This is an interesting assumption.

One wonders why it is necessary to merge the Bureau of Pensions Advocates with the department. Of course, if this speeds up the processing of veterans' claims, we are all for it. However, we must make sure that the integrity of the process is maintained.

The Bloc Quebecois earnestly hopes that veterans will see their claims processed more expeditiously, within structures that are fair, transparent and just. For years, many suggestions have been made at various levels for improving the pension allocation system. I would like to recall some of these suggestions which were included, for instance, in the assessment study of disability pensions conducted at the request of the department and released in 1993.

This study involved the organizational services branch and two consulting firms: Coopers & Lybrand and Deloitte & Touche. The latter firm dealt with issues relating to the pensions process.

Upon examining the firm's report in volume 4 of the study, one is struck first of all by the extent of control measures and additional procedures that cause undue delay. In 1992, these measures and procedures were applied within the department at the Veterans Services Branch, the Benefits Division, the Medical Advisory Branch, the district offices, decision–making support and non–medical benefits, the program planning and pension services, the pensions distribution service, the Medical Claims Research Section, standards and operations, supplementary benefits section and administration section.

This is just to illustrate how complex the system is. Imagine: every pension claim with its own specific file has to go through all these levels, each of which has several file check points. That is a major cause of undue delay, and that is why the study's recommendations included a substantial reduction in the number of check points within the department.

The department's study gives the distinct impression that the proliferation of these check points may be exacerbated by a climate of suspicion that prevails within each section and in relations between the sections. One feeds upon the other. I do not know whether this view of the pensions allocation system is held by the parties concerned, but this climate of suspicion may have helped to compartmentalize the various sectors and their activities. The answer would be to break down the walls and make the process more flexible. The bill seems to reflect the study's recommendations.

It is unfortunate to note, as the study does, that many suggestions for improving the system had fallen on infertile ground. The firm of Deloitte and Touche noted that, during its stay in Charlottetown, it was literally flooded with useful suggestions for improvement, which had been made internally, with no response. Here were first line employees making all sorts of suggestions, employees really hoping to improve the quality and the performance of the service. For people living in an atmosphere of mistrust, this is a rather odd sort of behaviour.

• (1655)

These suggestions, many of which were similar to other approaches contemplated over the years in various reports, proposed amalgamation of pension entitlement and evaluation processes; a single document on service for all needs; more involvement of regional advisors in the application review process; requirement that applications be accompanied by a diagnostic report and physician's medical report. These suggestions would certainly help cut delays.

Finally, seven main recommendations emerged from the study evaluating veterans' disability pensions. The only one that seems relevant to the bill is the third one, which provides that the department and the Canadian Pension Commission should streamline the decision–making process by combining pension entitlement and evaluation, by cutting the number of quality and process controls and by transferring responsibility for primary decisions to the group of pension medical advisors.

Do all these measures aimed at improving the process of pension allocation jeopardize the principle of arm's length relationship with the department? The study on pensions carried out for the department in 1992 would seem to have not gone unnoticed. During fiscal years 1992–1993 and 1993–1994, a number of changes were made to the pension process. The Estimates suggest that these changes would streamline operations and improve processing times.

A good number of the proposed improvements have already been implemented. To quote the Estimates for 1994–1995, "One of the most significant implementations resulted in a change in internal procedures which enabled the CPC to adjudicate on entitlement and assessment simultaneously. It is expected that this new procedure, implemented in May 1993, will reduce turnaround times in the first application process by four months".

So the minister has done his homework. It is 1995 now and we can no longer say that the average turnaround time for first applications is 18 months. Substantial improvements are presumably being implemented at this time. The system for recording medical benefits claims was apparently reorganized in 1993.

A new computerized system for pensions and the status of pensions was to have been implemented in March 1994, thus finally allowing computers to meet veterans' needs. If I may quote once again from the 1994–1995 Estimates: "Changes in procedures that have improved client service include sending favourable special awards and assessment hearing decisions directly for simultaneous pay and promulgation. Approximate turnaround time savings for favourable assessment hearings and special awards average 40 days and 45 days respectively".

Work on reducing turnaround times and the backlog is therefore underway at this time. This all augurs well, although there is always room for improvement. Let us hope that the bill proves to be helpful in this sense in bringing about further improvements in the system. Any delay for veterans is unwarranted. It is with this outlook in mind that the former Hon. Senator Marshall carried out his work in early fall of last year.

In the report of the Senate sub–committee he chaired, there is a very interesting section, called: "What is "the" system and how can it be improved now?" This section contains 10 very practical recommendations, numbered 32 to 41. They are very down–to–earth recommendations on how the system could be improved, by reducing delays and the backlog. The committee recommends the following: "That requests for service documents be forwarded electronically to Outside Documentation Section and that the documents be provided at no cost for veterans' organizations which operate a service bureau".

• (1700)

If we can believe how hard the department has been trying over the past two years to reduce delays, this recommendation should be implemented without a problem. And, furthermore, we are in the era of the information highway.

I continue to quote recommendations 32 to 41. "That the pages of the copy of the service documents be numbered to facilitate the work of the Précis Writers who will add their own extracts of the service documents, without typing, to the submission of the application for pension, and forward the package to the Medical Advisory for comment. That this documentation to which a copy of the Commission's decision would be attached serve as the "statement of case" in the next stage of the process, the hearing".

Can you imagine doing it any differently? Such sample solutions show that the kind of structure in place contributes little to the causes behind the delays and backlog. It seems that, to a much greater extent, the delays and backlog are due to entrenched ways of doing things that have resisted change.

The Canadian Pension Commission's persistent reluctance to give veterans the benefit of the doubt led to the following recommendation in the Marshall report: "That serious efforts be made by the Canadian Pension Commission to apply the provision of the 'benefit of the doubt' at the first decisions level, in accordance with the Pension Act".

We feel like giving the benefit of the doubt to new services, new organizations better able to give veterans the benefit of the doubt.

The Senate subcommittee's report also contained the following recommendation aimed at speeding up assessments: "That the senior district medical officers rule upon assessments at the district level; that assessments for claimed conditions be determined by senior district medical officers in the early stages of the preparation of pension claims; that senior district medical officers rely on reports prepared by medical specialists qualified in the field relevant to the veteran's pensionable condition in order to raise the assessment of their patients who are veterans".

These recommendations are consistent with the desirable, contemporary objectives of process devolution and decentralization and with the department's intentions.

To conclude with my examples of concrete measures, the Senate sub–committee ruled on the decision–making process for awarding disability pensions by making this recommendation: "That all fully favourable decisions rendered by the Canadian Pension Commission and the Veterans Appeal Board —be ideally less than a page in length, and that unfavourable or partly favourable decisions strictly deal with the reasons why the application or appeal is being turned down".

These measures are likely to speed up the process and reduce the backlog of cases. We must check how such measures will be implemented, if we have not done so already. The Bloc Quebecois is committed to pursuing the changes designed to make the system even more effective.

Speeding up the process and reducing the backlog is mostly an administrative matter involving program structure, the department, the organizations, regulations, procedures and control measures. All these elements are involved in the exact way a public service is provided.

Administrative order must be based on principles. In the case of the veterans pension awarding process, some principles were established and applied. These principles are: equity, impartiality, uniformity and vested rights.

The government's bill can be neatly summed up by listing three recommendations contained in the briefing paper on pension reform, namely delegating the first–level decision–making process to the department; concentrating the appeal preparation work done

by the Bureau of Pensions Advocates; and merging the Canadian Pension Commission with the Veterans Appeal Board.

• (1705)

Does this bill challenge the basic principles behind the pension system? That is what we are concerned about and what we want to look into.

We agree with the worthwhile goal of speeding up the process and reducing the backlog in the veterans disability pension awarding process.

However, before making a final decision on this bill, we will pay attention to what veterans, veterans' organizations and public entities affected by the proposed reform have to say about Bill C–67. Our first priority will be to listen to their positions with attention and respect and, to the extent possible, support their wishes for the future.

The Acting Speaker (Mr. Kilger): It is my duty, pursuant to Standing Order 38, to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for Louis–Hébert—U.S. president's visit.

[*English*]

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, I rise today to speak on Bill C–67 on behalf of the Reform Party. After initially reading Bill C–67, reviewing it, reading it one more time and reviewing it again, I thought it was necessary to put a face to the word veterans. I did not have to go very far to put a face to that particular group of people.

As a matter of fact, even in the Chamber we see constables walking around doing their duties. Often we see medals on their chests from campaigns of yesteryear. It is good to know that these people have served our country in that way.

In my community of Summerland in the Okanagan I looked around to see if I could find some examples of veterans. Again I did not have to go very far. Steve Dudson comes to mind, the gentleman who served as dominion president of the Royal Canadian Legion in Ottawa. He is still very active in the local legion in Summerland.

Other names also came to mind such as Mr. Ed Lanfdale who served in World War II. He is very active with the Kiwanis Club in Summerland and is involved in all kinds of fund raising activities for worthwhile groups and organizations in the Okanagan. Also there is Don Bowen. I cannot forget about him because he served under me at the cadet squadron in Summerland. He was a Korean war veteran. He is still wearing a uniform today and serving his community by helping out the cadet program in Summerland.

Then I looked to my own family and I did not have to look very far to find veterans. I go back to my grandfathers who both served in World War II, my uncle who served in Korea, and several other family members. Some were distant but had names like Donnan, Killipf and McFadzen. All these are names of people in my family who served for their country and are veterans.

It made me very proud that one thing these people seemed to have in common even today, although we are far away from war in this country, is that they are still serving their country. This made me very proud as a Canadian to know that our veterans who once served for their country still continue to serve our great nation in one form or another today.

The current situation with respect to veterans and their families is nothing short of appalling. Tens of thousands of men and women have risked their lives for this nation. Yet, in their later years when they turned to the Department of Veterans Affairs for disability pensions, they ran up against a bureaucratic nightmare. Before many make it through this quagmire they have passed on without being fairly compensated. Veterans must wonder why the country they served so valiantly now serves them with such contempt.

I want all my colleagues in the House to consider the following figures. The average turnaround time for veterans who apply for benefits is 18 to 20 months. That is at the first level. Due to the fact that the benefit of the doubt clause has not been appropriately applied only 30 per cent of cases are accepted. That is almost two years for veterans who are currently at the average age of 73 years old.

• (1710)

On the advice of their independent advocates many appeal their cases, and this can take up to three years. Of those who appeal, 70 per cent end up receiving benefits and many may only receive a portion of the expected entitlements. This situation is unacceptable.

We are making thousands of veterans in their advanced years wait almost five years to receive benefits. Currently there is a backlog of 12,500 cases and 10,000 more veterans are expected to apply for benefits this year.

After being chastised by the subcommittee on veterans affairs the government promised to act on behalf of veterans to correct this shameful situation. Bill C–67 is the government's answer.

I have been told the main intent of this piece of legislation is to cut the existing turnaround time for veterans' disability pensions by up to half without affecting veterans' benefits or their appeal rights. I have been assured by the minister and the deputy minister that the department will achieve their stated goal within two years.

My main concern, however, has been to determine whether such an objective is feasible without adversely affecting the rights and benefits of veterans.

For well over one month now I have been deliberating over this piece of legislation. During this time I have consulted with a number of veterans and veterans' organizations. After careful consideration and in the best interests of all Canadian veterans I must come out in opposition to Bill C–67. The bill adversely affects the rights and the benefits of veterans.

Even though the Liberal government claims to have the best interest of veterans in mind, this piece of legislation was drafted and approved by cabinet without consulting veterans' groups. This lack of consultation with the grassroots was particularly ominous given the fact that after cabinet approval the government informed groups that were more favourable to the proposals first.

The National Council of Veterans was informed of the department's proposals in March 1994, while the Royal Canadian Legion, the army, navy and air force veterans were not consulted until the summer of 1994. Why this unacceptable disparity?

It is also disturbing to note that Bill C–67 was not based on the advice of veterans but on the advice of two management consulting firms. This lack of consultation with grassroots veterans is evident throughout this piece of legislation.

One of my prime concerns is that Bill C–67 removes the right of the veterans to have their first level application prepared by the Bureau of Pensions Advocates. Under the current system each veteran has the application prepared by a trained, independent lawyer. In addition each veteran enjoys solicitor–client privilege. There will be reference to solicitor–client privilege throughout this speech because I find it very important.

However, the government claims that the use of the bureau by the veterans at the first level is too time consuming and is largely responsible for the 18 to 20 month turnaround. Yet if we turn to page 50 of the report "Keeping the Faith into the Future" we find the breakdown of the time. The report from the Senate committee states that the time required to process a claim at the first level in the department, the Department of Veterans Affairs, was 11 to 13 months and only 5 months with the bureau.

In my own investigations I found that most of the time it was two months with the bureau. One must also ask: if the bureau overprepares its cases, why are 70 per cent of them turned down at the first level?

• (1715)

The removal of the Bureau of Pensions Advocates from the first level process is ominous for a number of reasons. First, the veteran is now reliant upon the department to prepare and adjudicate his or her first level decision. This is not only a conflict of interest but it removes the veteran's right of that solicitor–client privilege. The importance of the solicitor–client privilege cannot be understated.

In the subcommittee report on veterans affairs, "Keeping the Faith", Mrs. F. L. Crummer, a witness who has been battling for six years with the department, most eloquently states the need for solicitor–client privilege. She states:

> An important consideration which must not be forgotten is the average age and education level of the clients serviced by the bureau and the fact that most of them know little or nothing about how the system operates. Their link with the system is their advocate, the person in whom they place their trust.
>
> The solicitor–client privilege enshrined in the statute is one of the inherent strengths of the bureau and of the pension act. It forms the basis for the trust clients place in their advocate.

She goes on to say:

> Changes could place clients in jeopardy and destroy their trust not only in their advocate but ultimately in the system itself—. No changes should even be contemplated to section 19 of the act which establishes the independence of the Bureau of Pensions Advocates. I feel it must remain independent of the department in order to properly service veterans and dependants.

I would like to remind this House that my primary concern is to speed up the process without taking anything away from our veterans.

Another concern I have with respect to removing the bureau from the first level decision making process is that veterans will be dealing directly with the department whose employees have been known to not have the best attitude. Mr. Cliff Chadderton, chairman of the National Council of Veterans Associations, recently stated:

> The problems which occurred in regard to the old legislation were, in our view, largely ones which might be attributed to either attitude, lack of knowledge or possibly incompetence. In other words, regardless of the framework of the new legislation the results will depend upon the manner in which the administration thereof is carried out—. The ability to reduce delays in adjudication will depend upon the will of the administrators to make the system work.

Knowing that an attitude problem exists within the department, I find it incomprehensible that the department believes it can offer veterans a better service than the Bureau of Pensions Advocates. What veterans face at the first level could be an indifferent or incompetent pension officer who lacked the will or the knowledge to inform veterans to pursue benefits to which they are entitled.

I am also concerned that veterans may not be informed they are able to apply for an appeal of the department's decision. Even if the pension officer has the best intentions, I am not confident that applications they fill out will be as good as that of the Bureau of Pensions Advocates.

Let us examine once again the people we are dealing with here. A 73–year old man or woman entering the Department of Veterans Affairs used to go to the bureau and now they will approach a counter—I am told that one of the biggest disability claims is for hearing loss—and be instructed that they must fill out the draft of the application form, a 10–page complicated application form for their disability pension. Most elderly veterans who find dealing with bureaucracy extremely stressful would also find it too complicated to fill out.

Considering the fact that the veteran will be assisted by a departmental pension officer without the solicitor–client privilege, I am concerned that the application may also form an entrapment whereby the veteran may mistakenly commit incorrect information that is official on his record. The end result would be a fast rate of first level rejections.

• (1720)

I foresee another difficulty with the bureau being removed from the first level. Under Bill C–67 the size of the bureaucracy will increase and the minister will get more power to influence the department's internal affairs. Under these proposals the minister may have undue influence over the whole decision making process and the quality of service or the rate of acceptance.

Departmental employees will be vulnerable to receiving direction which could deter them from encouraging veterans to pursue benefits and services to which they are entitled. They will also be under pressure to take part in fiscal restraint. Even an offhanded remark by the minister could affect the way his staff deals with veterans.

I would like to remind this House that my primary concern is to ensure that the process is speeded up without taking anything away from veterans. With the current rejection rate of 70 per cent and an 18 to 20 month waiting period, I have no confidence that the removal of the bureau from the first level will speed up the process and improve the acceptance ratio. In fact advocacy will suffer from the lack of continuity.

Currently an advocate from the bureau will deal with a veteran from the first level to the review, to the appeal stages, ensuring that the advocate is familiar with the merits of the client's case. Under the proposed system the pension officer, after the first level, will have no mandate to be involved in the case whatsoever.

The case will be turned over to the bureau lawyer, who will be unfamiliar with the case at that point in time. It will be passed on to him and in my opinion that will cause further delay. He will be unable to properly advise the veteran on the merits of his appeal until after some time considering his application. At this point I must ask a number of important questions.

First, how can veterans believe that the counsellor is acting on their behalf and that the information they give, which is in confidence, will not be used against them when the department is also adjudicating the decision?

Second, who exactly will adjudicate decisions at the first level and how will they be trained?

Third, how will the removal of the Bureau of Pensions Advocates from the first level decision speed up the decision making process when currently the initial application at the bureau level is such a small part of the delay? The delay is in the department, not with the bureau.

Fourth, will a fast rejection rate at the first level lead to even more congestion at the appeal level?

Fifth, given the fact that the government promises to halve the backlog within two years, where exactly will the promised savings in time be made?

A second aspect of this piece of legislation that concerns me is the proposal to join the BPA, the Bureau of Pensions Advocates, to the department. Again, I am concerned about the chances of conflict of interest arising and the lack of solicitor–client privilege.

With the bureau restricted to hearing appeals and as a part of the department, I feel that the bureau may no longer provide the objective, expert, independent advice which it currently offers. As departmental employees they may become party to any cost cutting or ratios alluded to by the minister because they will now be answerable to superiors within the department. I fail to see how this will serve the best interests of the veterans.

A third aspect of this legislation which concerns me is the merging of the Canadian Pension Commission with the Veterans Appeal Board. From my research I have determined that currently the pension commission has a much more restrictive view of what constitutes a disability than does the Veterans Appeal Board. However, when working independently they provide a system of checks and balances.

The proposed amalgamation of the boards could see the more liberal policy of the Veterans Appeal Board watered down, which would adversely affect veterans rights and benefits. This would not be acceptable to me or to the Reform Party.

In addition, I am concerned that the proposed veterans review and appeal board will not examine base their examination of each review and appeal on the merits of each case. Rather it would decide whether the department followed its own stated policy and procedure. This would be a further erosion of veterans rights and benefits.

• (1725)

A fourth aspect of concern is the proposal that the review panel in clause 23, the appeal panel in clause 32, the minister in clause 82, be given the right on their own motion to reconsider a

decision they have made and amend or rescind that decision if it determines that an error was made with respect to any finding or fact or interpretation of any law.

This power is unprecedented. In court one cannot be tried for the same crime twice after sentencing. This is not due process. In fact I wonder if this is even constitutional.

When I met with the deputy minister to discuss this bill, he assured me there was no need to worry about apparent conflict of interest, lack of client–solicitor privilege or attitude among the department employees. He argued that veterans will be given the benefit of the doubt at all levels of decision making.

How can I possibly be confident that the department will apply the benefit of the doubt when it has not been used liberally in the past? The benefit of the doubt was given to adjudicators under the Pension Act and the Veterans Appeal Board Act to improve the odds of veterans receiving early acceptance.

The commissioners and members of the Veterans Appeal Board were, as stated in the act, to bend in favour of the applicant. Yet in practice this does not happen. As pointed out in the subcommittee on veterans affairs report, the commission did not apply the benefit of the doubt but rather rubber stamped the advice of the pensions medical advisory.

Why now should the department be trusted to apply the benefit of the doubt? No wonder the Bureau of Pensions Advocates over prepares cases.

I would like to sum up my remarks by stating that Canada and Canadians have a legal obligation under the Pension Act to pay compensation for death and disability relating to military service. In addition to the legal obligation I feel that we also have a moral obligation to support veterans in a reliable and timely manner.

I understand the government is trying to rush this bill through the House. I have numerous reservations about the effect of this bill.

The Royal Canadian Legion which represents 240,000 veterans also has numerous concerns. I just received a letter from the dominion president the other day in which he lays out many of the concerns. He states: "In light of these concerns, the Royal Canadian Legion considers it to be most important for the parliamentary committee to deal with and resolve the concerns before endorsing the legislation. At the same time, it is recognized that there is a need to move quickly. The Royal Canadian Legion stands ready to contribute to the process".

In conclusion, I would like to read once again from "Keeping the Faith: Into the Future". I would like to commend the people who sat on that committee, particularly the Hon. Jack Marshall who has recently retired. It is a superb piece of work.

On page 85, Prime Minister Sir Robert Borden articulated Canada's obligation to veterans when he addressed the soldiers about to depart for the Battle of Vimy Ridge in 1917.

He said: "You can go into action assured of this and as the head of government I give you this assurance, that you need to have no fear that the government and the country will fail to show you just appreciation for your service to the country in what you are about to do and what you have already done. The government and the country will consider it their duty to provide to the returned men its just and due appreciation of the inestimable value of the services rendered to the country and empire and that no man, whether he goes back or whether he remains in Flanders, will have just cause to reproach the government for having broken faith with the men who won and the men who died".

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

And the division bells having rung:

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 45, the division on the question now before the House stands deferred until Monday at the ordinary hour of daily adjournment, at which time the bells to call in the members will be sounded for not more than 15 minutes.

Mr. Boudria: Mr. Speaker, I rise on a point of order. I think you would find unanimous consent to further defer the vote from Monday at the time of adjournment until Tuesday at 5.30 p.m.

The Acting Speaker (Mr. Kilger): Is that agreed?

Some hon. members: Agreed.

The Acting Speaker (Mr. Kilger): It being 5.30 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*Translation*]

INTEREST ACT

Mr. Ghislain Lebel (Chambly, BQ) moved that Bill C–273, an act to amend the Interest Act, be read the second time and referred to a committee.

He said: Mr. Speaker, I am both disappointed and appalled as I rise in the House to speak to Bill C–273, an act to amend the Interest Act. You will understand my frustration when I explain how I became aware of the fact that the Interest Act is totally ineffective.

I am a notary by profession. Over the years, I have finalized at least 5,000 real estate transactions involving either sales or financing. In 1981 and 1982, a steep rise in interest rates forced mortgage holders to renew their mortgages at 18, 19 or 20 per cent, and I even saw a second mortgage renegotiated at 24.41 per cent.

When rates settled to more civilized levels, the same taxpayers—of every political stripe, by the way—tried to renegotiate their mortgages to take advantage of the sudden drop in interest rates. Mortgage lenders argued, not unreasonably, that they themselves had borrowed on term deposits at very high rates.

They found a sympathetic ear in the Minister of Finance at the time, a Liberal, and I am referring to Marc Lalonde who was Minister of Finance in 1983 and who told us at the time that the banks had initially borrowed the money at high rates and that changing the rules of the game at this point might put them in a rather difficult situation. I could see that, and I think the members of the House of Commons at the time understood the situation.

Could I perhaps ask the Speaker to urge our Reform Party friends to be silent?

[*English*]

The Acting Speaker (Mr. Kilger): Order. I wonder if we could ask for the co–operation of the House while the member has the floor. If there are discussions that have to take place, they might be held outside the Chamber behind the curtains or in our respective lobbies.

[*Translation*]

Mr. Lebel: Soaring interest rates in 1981 and 1982 were very damaging for small owners of rental buildings and owners of apartment buildings.

• (1735)

Some had to borrow, also at high rates, against other assets they had, the money they needed to fill the gap imposed by this sudden hike in the interest rates. I remember a real estate transaction involving two rental properties with 12 apartments in which the vendor, already choked by his mortgage lender, a bank, one of the big six, had to pay out $56,000 in dollars of the time in interest penalty for breaking his mortgage. In the United States, the federal law on housing provides that no penalty may be charged for breaking a mortgage, and yet the American economy seems to be in good shape.

In the face of the outcry against such abuses, the Minister of Finance had asked bankers to take themselves in hand and show a human face to their mortgage borrowers. How pure of the minister. Taxpayers were nevertheless understanding and, as always, reacted calmly to the problem. Because of a lack of political will on the part of the Liberals of the time, they as usual bore the entire cost of the mess.

Since then, interest rates have been civilized, although recently, because of the collapse of the Mexican currency, we are told, they have tended to rise. When interest rates dropped recently to 5.25 and 5.5 per cent per annum, this was the time for the party in power to act. The situation that existed in 1982–83 had evaporated. There was therefore no way the banks could be taken by surprise now. Last summer, the banks paid 2, 2.5 and 3 per cent on term deposits and charged 5, 5.25 5.5 per cent on loans.

You know, Mr. Speaker, 2,500,000 people are having to deal with a mortgage in Canada at the moment. They are held hostage by financial institutions and the market, not just by the financial institutions, but by fluctuations in the market. This is becoming distressing, and it affects our economy, not always predictably, but certainly noticeably.

Outraged, Mr. Speaker? Yes indeed, and here is why. Private members' bills are first drawn at random. The bill before us, Bill C–273, has passed that stage. A private member's bill is next referred to a sub–committee on private members' business, comprising a majority of Liberals and Reform Party members and a single member from my party.

This committee decides whether the bill will receive a simple one hour debate, as in the present case, or whether it is to be voted on. If it is decided that it will only get an hour's debate, the whole matter is dropped at the end of that hour, it is is history, over and done with. If, however, this committee decides that it will be put to a vote, then the parties can express their opinions, debate it and, after three hours of discussion, the member's bill is put to the vote.

There is no doubt that if a majority of members in the committee is afraid that a member's bill may be passed into law, they assess the impact on their constituents, their supporters and, indeed, on their financial backers. In that case, it is either

debated for three hours or referred for an hour's debate like this one.

There is no need to spell it out. If it were passed, the bill before us would cause the banks to lose huge sums which they now collect in penalties.

• (1740)

Last November, these poor banks declared overall profits of $4.3 billion at the end of their fiscal period, no doubt after having made provisions for bad debts and withheld taxes owing; $4.3 billion, imagine that.

Why did the Sub–Committee on Private Members' Business, in which our friends opposite and beside us call the shots, oppose putting the bill before us to a vote? Could it possibly be because the six big chartered banks each contributed an average of $250,000 to the Liberal Party of Canada during the last election campaign? One might think so.

This obscure committee did not include the interests of the Canadian taxpayer in its decision, but only those of its financial backers. There you have the results of politicking, an art the Liberals have mastered.

Reform Party members are learning quickly too now that they are aiming to form the next government. God forbid! For Canadian taxpayers, the lesson to be learned in all of this is that, if a vote is sure to be won, you are the last ones to be considered.

I would like to warn the members who are in the majority in this committee about their attitude in this case. I plan to send to all regional and national newspapers in their ridings a copy of *Hansard* including this debate, so each and every one of them will have to explain why they refused to put the bill before us to a vote.

Coming back to the bill, I can see right away from the reaction of my colleagues opposite that they will claim such a measure might harm certain investments. I rather doubt that and I shall tell you why.

At present, a loan granted for more than five years can be repaid in advance provided that a sum equal to three months' interest is added to the capital and interest due. For a few years now, however, the Bank of Montreal has given out loans for seven years or even more.

Nor is there any validity to the argument that such a procedure would mean that individuals who invest their savings for the long term in banks would lose money. If people want to get a relatively high return for their investment dollar, a return that is competitive with bank rates, they can always buy Canada, Quebec, Ontario or other savings bonds, or municipal bonds. Municipalities are not known for the bad habit of reimbursing their debts before the end of the term. Therefore, these people will nevertheless be paid the interest that they are entitled to receive.

Section 93 of the consumer protection act that took effect in Quebec in 1976–77, I believe, prohibits any creditor from demanding from a consumer any payment in addition to that which is due on the day of payment—the act makes no mention of mortgages, because the Interest Act falls under the jurisdiction of the federal government.

Therefore, as long as you are not a business person, because the Consumer Protection Act only applies to individuals, no penalty will apply if you pay off your television or car early. This did not prevent finance companies, business people in Quebec from doing business. What may have slowed them down more was the negative impact that a provision of the Interest Act had on Canada's economy in general.

When people who could get other financing elsewhere are compelled to go to the end of their mortgage terms or pay astronomical amounts, that could hurt the province's and the country's economy, in my opinion.

• (1745)

In 1976, the Hon. Anthony Abbott of the Liberal Party, the predecessors of the people on the other side of the House, introduced Bill C–16. This bill was a "providing for" bill. It provided for the protection of borrowers and depositors, for the regulation of interest rates on judgment debts and was to repeal the Interest Act. Since 1867, the Interest Act had not been substantially amended and had only been changed to include the Northwest Territories and the Yukon. The bill, which probably was killed through pressure from lobbyists, big banks or some other source, proposed to cancel or repeal the Interest Act.

Clause 15 of that bill provided that any borrower who pays off early all or part of the principal of a mortgage under the preceding subclause is not obliged to pay, on the early payment, the greater of the penalties stipulated in the loan agreement—i.e. in the contract—the penalty payable being the lesser of the interest payable for a period of three months or the interest which would have been payable if the loan had run to its term.

In other words, the lesser amount of the two; a maximum of three months' interest or less than that amount, if in fact a shorter period was left on the term. And that penalty was to be calculated on the amount of the early payment at the interest rates applicable to the loan.

When I introduced my bill, I was not aware that this bill had been introduced in 1976. I discovered it when I was doing my research. This bill does not come from the Social Credit Party of Canada, the party of infinite love or the transcendental meditation party; it comes from the Liberal Party, from the people sitting opposite us. Why did they renounce their principles?

What has happened to that party since then? Did they get contaminated by the Reform Party? I know that they are against.

If a group in Canada has been penalized by the measures in the Interest Act, it is the western farmers. As we know, western farmers are expecting large payments. Do they get paid when they sell their crops or do they rely on their various insurance policies or on income stabilization plans? I do not know. But the fact is that they sometimes have to wait a while before they receive their money. In the meantime, they have to secure their loans by taking out a mortgage. Since they need money to tide them over for a certain time, they borrow from the banks.

They are perhaps among those hardest–hit in Canada because of the large amounts they borrow on a regular basis, almost annually, while waiting to receive the amounts owed them.

I am disappointed because I sincerely believed that, political games aside, this bill was aimed at protecting for once—it is not much, just once—ordinary people who have trouble paying their mortgage. I thought that all members of this House, whatever their party, would automatically look after the interests of ordinary people, of those who allowed them to sit opposite us. But they were fooled once again by powerful lobbies and monopolies putting pressure on them and saying, "Listen, I do not want to lose my $4.3 billion".

According to press reports, it will probably be worse next year because of the economic recovery. Their net profits may exceed $4.3 billion. Of course, together they can give $1 million, $1.5 million or $2 million to the party that can promise them not to touch the Interest Act, so they do not lose astronomical amounts in penalties like those they lost, I gather, unfairly.

I also wanted to table this bill for my constituents in the riding of Chambly for whom I worked for 15 years as a notary, handling transactions and mortgages. I saw some of them leave my office with tears in their eyes. I saw people who could no longer make their payments put the key on my desk and tell me, "Please give it to the bank manager; I am going to rent an apartment in Montreal because I can no longer make my payments". I saw that in 1982 and 1983. It was heartrending.

• (1750)

When I decided to go into politics, one of the promises I made to the people of Chambly was to try to persuade the government to amend this act, which struck me as inhuman, as Mr. Lalonde, the finance minister at the time said, but then he asked the banks to implement their own controls. It is a bit like asking a fox, who has already made it into the henhouse, to eat only a few. It is like turning the blood bank over to Dracula. It amounts to almost the same thing.

I say to the people of Chambly, at least I have tried. Those of you who are watching can see that I have tried to change things. I am disappointed that it did not pass. And it was because of ignorance, the wish to do nothing of certain of my colleagues, most of them, unfortunately, from the party in power. I say to them that we will not give up, and that we will try again, perhaps at a time when they are less worried about their corporate constituents, the banks, and come back to the charge with a similar bill.

[*English*]

Mr. Stan Keyes (Hamilton West, Lib.): Mr. Speaker, regrettably the hon. member for Chambly significantly weakens his debate for his private member's bill when he makes the far reaching and one might say ridiculous argument that his bill did not win three hours of a debate in this place because Liberals would be embarrassed by his act to amend the Interest Act.

I remind the hon. member opposite that there have been a number of private member's bills introduced by thinking, backbench government Liberal members which run counter to the suggestions of a minister; but still received three hours of debate and a vote. The most recent that I can recall was the private member's Bill C–226, an act to rescind section 745 of the Criminal Code which received three hours of full debate in this place and carried on a vote by the members of this place.

On the matter at hand, I consider it a privilege to speak to Bill C–273, an act to amend the Interest Act. Let me begin by commending the hon. member for Chambly for his well intentioned effort on behalf of Canadian mortgage borrowers.

The bill before us calls for changes to section 10 of the Interest Act. It only calls for the words "12 months" to be substituted for the words "five years" in two places in that section.

At first sight this appears to be a small change but I am concerned that what may seem like a small change could have far reaching consequences. I am worried that what on the surface appears like a consumer friendly improvement may in practice be quite the reverse. If this legislation were to pass mortgage financing for Canadians could become less available and mortgages could be higher and the range of financial instruments available to Canadian borrowers and savers could be reduced.

I want to demonstrate to my parliamentary colleague opposite why such a simple change would have negative consequences. The difficulty is that this bill could inadvertently hamper the flow of funds into the mortgage market by increasing the risks associated with mortgage lending. Hon. members may recall that section 10 of the Interest Act provides for a penalty equivalent to three months interest in the prepayment of the outstanding principal after five years on conventional mortgages with terms greater than five years.

The bill under consideration, this bill, would extend these same provisions; that is, a penalty of three months interest for

prepayment of outstanding principal after only one year on mortgages with terms greater than one year.

As hon. members and many Canadians are aware, long term mortgages are uncommon in Canada. The vast majority of mortgages in this country are issued with terms of five years or less.

• (1755)

One might ask why this lack of long term financing? Unfortunately the prepayment penalty provision in section 10 of the Interest Act is a real factor. This has been recognized by consumer associations, financial institutions, as well as the construction and real estate industries.

Now we have today's proposed legislation which could compound, not improve problems with timely mortgage financing because by adopting Bill C–273 we would risk similar results in the medium term mortgage market. Prepayment penalties for short and medium term mortgages are usually based on the present value formula which compensates the lender for differences in rates which would apply. This amount may be more or less than the three–month penalty proposed by the bill.

We have to recognize the cascading effects such a problem would create. Nervousness about such losses would effect the availability of not only mortgages but also medium term GICs. In turn, the resulting less efficient, smaller mortgage market would have negative implications for the construction and real estate industries.

Let me reiterate. I understand this bill has been put forward with good intentions, that it was tabled with the welfare of consumers in mind. However, in deciding whether Bill C–273 should go forward to committee, hon. members must bear in mind the unintended but adverse consequences which could flow from this bill.

In summary, these consequences include reductions in the choices that will be available to Canadian consumers in their capacities as mortgage borrowers and as savers, increases in the cost of mortgage financing, reductions in the availability of medium term mortgage funds, and adverse spill over effects on the construction and real estate industries.

The hon. member for Chambly does, however, by introducing this bill, underline the need for further consideration of how best to provide Canadian consumers with the opportunity to prepay mortgages in a fair and equitable way.

I understand that officials are reviewing this issue so that we may very well come back to it in a very short period of time.

[*Translation*]

Mr. Lebel: Mr. Speaker, may I reply to his question?

The Acting Speaker (Mr. Kilger): During the hour reserved for private members' business, there is no provision for questions and comments. The member presenting the bill in the House has 20 minutes, and those who follow have 10 minutes, with no questions or comments.

[*English*]

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, I too wish to compliment the member for Chambly on the intent of the bill. There is no question that his heart is in the right place.

Many people in this House and most Canadians felt the shock of the greatly increasing interest rates about 10 years ago. I certainly did. Unfortunately while the intent of this bill is noble, when we get the past the intent to look at the effects of this bill and what would happen in the marketplace, the results may not be quite as noble.

Before I get into my short comments about this I would like to respond to a couple of comments that the mover of the bill from Chambly brought into the debate. First was the notion of there being some sort of ne'er do well doing in that this bill is not votable.

I think there are 30 bills brought forward. Of that I believe about six or eight are votable. The decision on whether a bill is made votable is based on the content of this private member's bill as tested against all other private members' bills.

Sometimes they are found lacking and sometimes they are not. My private member's bill was not votable. I felt badly about it but that is the way the cookie crumbles. We have to deal with it. Another item was brought into this debate. The banks are hugely profitable and therefore we should change this. The banks make all kinds of money and therefore nobody likes banks. I do not like banks any more than anybody else but banks are a part of our life. They are a necessary evil.

• (1800)

Banks have had an increase in taxes over the last few years of something in the region of 40 per cent. In fact they pay a fairly hefty bite of their profits as taxes.

As we all know banks have been increasing their service fees for everything because they are trying to get out of the cyclical nature of recovering all of their cost by interest as well.

The whole notion of the profitability of banks in this debate is a moot point. It does not have anything to do with what we are talking about. Banks make a contract to lend money to a client, the client makes a contract with the bank to repay the money.

If people wish and are in a position to prepay a loan for whatever reason, then it would be nice if the lender would be in a position to make it easy for them to do so. However for the number of people who would like to renegotiate loans when interest rates go down probably does not match the number of

people who would like to renegotiate a loan when interest rates go up. I do not think I have heard of anyone going into a bank and saying: "I understand that interests rates have gone up. Therefore I want to renegotiate my loan so I can pay more money".

A contract is a contract. When depositors put money on deposit and buy interest bearing certificates at a bank, the bank generally matches those deposits with lending.

Perhaps we should consider letting the marketplace decide. If it is in the best interest of the bank, and some do, to ensure that their customers are able to have more flexibility in their mortgage loans, then they could advertise that they will be prepared after one year to allow the customer to collapse the loan, prepay three months interest and be out of the contract.

Most banks have open mortgages, one–year mortgages, six–month mortgages, five–year mortgages and ten–year mortgages. The Home Builders' Association would like to see much longer term mortgages so that people would be able to lock into a mortgage, perhaps even over its life, until it is totally amortized. This is done in the United States. Then when someone buys a home they know what their payments are going to be from the time they make their first payment until the time they make their last and the vagaries of interest rates will not drive people out of their homes. That again is another debate and another story.

Some lending institutions will lend money for mortgages in this country this very day that consider their mortgages fully open and will allow people to prepay without penalty at any time.

We should allow the natural competitive forces in a healthy marketplace make these decisions. We have many fish to fry in this Parliament. We should let the private sector do what the private sector should do and not further involve the government in more details that should be handled by the private sector. We should be getting out of business, not getting into business.

While the member for Chambly brings to the House a well–intentioned motion perhaps it also contains a bit of quicksand. I would suggest that if people are looking at this and we absolutely must do something about it as a Parliament, we might consider this. When a mortgage institution or a bank lends money on a mortgage expecting to get a spread of 3 per cent between the people who are lending money to the bank and the people who are borrowing money from the bank, their profit is included in that.

• (1805)

Perhaps the banks might consider giving up their portion of profit. Certainly their expenses should be covered.

We are getting very complicated in this debate; at least I am getting very complicated. It is not really our decision and our job to decide what banks should do and how they should do it. That is a job for a free, competitive and open marketplace.

[*Translation*]

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, I am pleased to support my colleague in this respect, and I think the hon. member of the Reform Party should realize this is a bill to protect the individual consumer who borrows money, not companies. If I understood correctly, the bill is not concerned with companies but individuals.

We all know that financial institutions, with their expertise, can easily predict the vagaries of interest rates and are in a better position to take advantage of that expertise than the average citizen who has to make a living and does not have the resources to be able to judge when he should pay up his mortgage or take out a mortgage and for what period of time, and so forth.

That is why I think the flexibility the hon. member for Chambly is seeking, to allow people to pay back their mortgages and renegotiate them at a lower rate, would give the average citizen, for whom a mortgage on his home is the only equity he has, a chance to borrow a certain amount using the mortgage as collateral, in order to save some money for later on when he retires.

As the hon. member for Chambly explained, in the past we have often seen people lose huge sums of money, mainly because here in Canada we have a major problem. If we look at the mid–seventies we had interest rates at fairly reasonable levels of 7, 8 or 9 per cent. In 1981, 1982, 1983, interest rates rose to 20 per cent and then went down to 7, 8 and 9 per cent, and then down to 6 per cent in 1994. Last year, you could get a mortgage at 6 per cent, and now we are up to 11 and 12 per cent.

Imagine what we have to cope with. I did not do a serious analysis of the situation in other countries, but I know that in the United States, you can still get a 30–year mortgage at a much lower rate than we pay here. This kind of stability means that wage earners with fairly stable incomes can budget their money better. In this country, however, with these tremendous variations in interest rates, people never know where they stand.

So if we gave individuals, since we are talking about private mortgages, if we gave individuals a chance to at least budget for their interest payments, it would help them balance their budgets generally, give them greater confidence, and make them more inclined to engage in real estate transactions, and in the process, this would help the economy. I think that this is what the hon. member for Chambly had in mind when he introduced this bill, and I think this is important, but unfortunately, it would seem this bill is being snubbed.

I think we should have had more time to discuss the bill and a chance to improve certain guarantees available to individuals.

Once again, financial institutions are very well organized. They have their own experts who are able to evaluate the trends and the way interest rates are going, but the average Joe who has to learn a living does not have the resources to do this. That is why I support the bill standing in the name of the hon. member for Chambly.

[*English*]

SUSPENSION OF SITTING

Ms. Catterall: Mr. Speaker, you might find unanimous consent to suspend the sitting to the call of the Chair and the Adjournment Proceedings could commence at the normal time of 6.30 p.m.

[*Translation*]

The Acting Speaker (Mr. Kilger): Since there are no more members who wish to speak and the motion was not designated as a votable motion, the hour provided for the consideration of Private Members' Business has now expired and pursuant to Standing Order 96, this item is dropped from the Order Paper.

[*English*]

I see the member for Louis–Hébert is present and as soon as we have the person who will respond for the government the Chair could reconvene prior to the normal hour, 6.30 p.m.

Is it the wish of the House to suspend the sitting to the call of the Chair?

Some hon. members: Agreed.

(The sitting of the House was suspended at 6.12 p.m.)

SITTING RESUMED

The House resumed at 6.17 p.m.

ADJOURNMENT PROCEEDINGS

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

U.S. PRESIDENT'S VISIT

Mr. Philippe Paré (Louis–Hébert, BQ): Mr. Speaker, I feel compelled to rise in the House to ask the parliamentary secretary to clarify an answer to a question I asked the Prime Minister Monday.

I had asked the Prime Minister which customary or parliamentary rule or law dictated that the Right Hon. Leader of the

Official Opposition could not meet the American President during the latter's upcoming visit to Ottawa, at the end of February. I also asked whether he considered it normal for a Prime Minister to tell the President of the United States what he can or cannot do.

Instead of answering my question, and being unable to find an excuse for his emotional, partisan and inappropriate reaction outside the House, the Prime Minister got tangled up in strange and confused explanations and talked about the letter the Leader of the Opposition had sent to Mr. Clinton requesting a meeting with him.

Finally, he said that, since the letter was addressed to Mr. Clinton, only he could respond to it. What we must understand from this part of his answer, Mr. Speaker, is that he could not tell the difference between a letter addressed to him and a copy of a letter sent to him as a courtesy.

The Prime Minister also lapsed into vaudeville and the absurd by pointing out to me that a meeting with the Leader of the Opposition was not a universal practice and that he, as Leader of the Opposition, had not always exercised this prerogative.

In fact he reminded me that the President of the United States, Mr. Zedillo, had not met with the Leader of the Opposition during his visit of last December. The Prime Minister must be reminded that Mr. Zedillo is the President of Mexico.

Except for his pitiful medical diagnosis of the Leader of the Opposition's state of health, which would make Hippocrates blush, the Prime Minister in no way answered my question. On what grounds did he decide that the hon. member for Lac–Saint–Jean could not meet with the American President?

After having so clumsily avoided answering my first question, the Prime Minister gave no more of an answer to the second one I put to him. Let me repeat this question: Now that he admits that the leader of the Bloc Quebecois has the right to meet with the U.S. president "will the Prime Minister promise he will not use pressure tactics or indulge in any behind–the–scenes manoeuvring to try to discourage the U.S. president from meeting the Leader of the Official Opposition?"

The Prime Minister's answer was short and sweet:

> —in the normal course of events, President Clinton's letter should come from Washington, not from Ottawa.

As you can see, this is not a promise not to use pressure tactics. On the contrary. What is the meaning of the expression "in the normal course of events" in his answer? Does it not clearly indicate that, in fact, the Prime Minister is not ruling out a possible attempt to dictate the answer that will come from Washington? The Prime Minister has mastered the art of dodging questions, as he showed us again in this case.

[*English*]

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister, Lib.): Mr. Speaker, I will be clear and succinct in my answer which will also provide some information.

The question posed was answered by the Prime Minister in the House on Monday afternoon. The visit of President Clinton to Ottawa is an important event in the relationship between Canada and the United States. The government is very much looking forward to this, the first official visit of President Clinton to Canada.

He will arrive during the morning of Thursday, February 23. He will depart on the afternoon of Friday, February 24. The program will involve the participation of our new Governor General, a visit to Parliament, meetings with the Prime Minister and members of the cabinet.

The leader of the Bloc Quebecois has sought an appointment directly with the President of the United States for his time in Ottawa. As the Prime Minister indicated on Monday in response to the question, it is up to the United States to authorize such a meeting.

[*Translation*]

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 38(5), a motion to adjourn the House is now deemed to have been adopted.

Accordingly, the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.22 p.m.)

HOUSE OF COMMONS

Friday, February 10, 1995

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

YOUNG OFFENDERS ACT

The House proceeded to the consideration of Bill C–37, an act to amend the Young Offenders Act and the Criminal Code, as reported (with amendments) from the committee.

SPEAKER'S RULING

The Speaker: My colleagues, with regard to Bill C–37, an act to amend the Young Offenders Act and the Criminal Code, there are seven motions in amendment standing on the Notice Paper for the report stage of this bill.

[*Translation*]

Motion No. 1 will be debated and voted on separately. Motions Nos. 2, 3 and 4 will be grouped for debate but voted on separately.

[*English*]

Motion Nos. 5, 6 and 7 will be grouped for debate but voted on separately.

I shall now propose Motion No. 1 to the House.

MOTIONS IN AMENDMENT

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.) moved:

Motion No. 1

That Bill C–37, in Clause 12, be amended by replacing lines 13 to 18, on page 10 with the following:

"(5.1) Where a young person elects or is deemed to have elected to be tried by a judge of a superior court of criminal jurisdiction with a jury, the youth court shall conduct a preliminary inquiry and if, on its conclusion, the young person is ordered to stand trial, the proceedings shall be before a judge of the superior court of criminal jurisdiction with a jury.

(5.2) A preliminary inquiry referred to in subsection (5.1) shall be conducted in accordance with the provisions of Part XVIII of the Criminal Code, except to the extent that they are inconsistent with this act.

(6) Proceedings under this act before a judge of a superior court of criminal jurisdiction with a jury shall be conducted, with such modifications as the circumstances require, in accordance with the provisions of Parts XIX and XX of the Criminal Code, except that".

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I am pleased to have this opportunity to speak on Bill C–37 regarding the amendments that are before the House today.

As members are aware undoubtedly, numerous motions were passed by the Standing Committee on Justice and Legal Affairs following very lengthy testimony on Bill C–37. We had before the committee approximately 40 witnesses.

The government today has tabled further motions, eight to be exact, to which I would like to speak. Seven of these motions involve technical improvements to the bill and one addresses a more substantive issue.

• (1005)

These suggestions have arisen as a result of further review of the bill and from recent consultations with the provinces, the territories and youth justice professionals.

The Minister of Justice recently met with his counterparts, provincial and territorial, in Victoria, B.C. The provinces, as members know, administer large aspects of the Young Offenders Act. They requested changes that would be in their interests primarily in the administration of this act. We were most willing to comply because we want the act to work as well as it possibly can.

Motion No. 1 serves to clarify which provisions of the code will apply dealing with the preliminary inquiries where a youth is charged with murder and the matter is going to be dealt with in youth court.

The existing language of Bill C–37 speaks to proceedings being regulated by the provisions of the Criminal Code relating to juries and trials of indictable offences. The revised language is specific as to the relevant provisions of preliminary inquiries as well as the initiation and conduct of jury trials.

The Deputy Speaker: The first group is dealing with Motion No. 1. Ten minute speeches.

[*Translation*]

Mr. François Langlois (Bellechasse, BQ): Mr. Speaker, before I start my comments on Motion No. 1, I would like to say once again that the Bloc Quebecois has always been opposed to Bill C–37, an act to amend the Young Offenders Act.

It has always been our position, both in this House and in committee, that Canada, and especially Quebec, where the focus of Bill C–37 has no specific application, do not need this kind of legislation.

Since the Young Offenders Act was first implemented a little over ten years ago, the authorities in Quebec have done a good job of harmonizing provincial legislation with the Young Offenders Act. The Youth Protection Act is a case in point. The same people are responsible for enforcing the same laws. I feel that this particular measure is entirely unnecessary and constitutes an unexpected shift to the right.

However, when we see 70 Liberal members rise to vote on Bill C–226, we realize why this kind of bill was introduced. Our young people need jobs far more than they need sentencing. If they had jobs, if their future was not a dead end, there would be no need for legislation to lock them up and refer them to adult court so they will get longer sentences. What we have here is a society that is running scared and a government that will not admit it.

As for Motion No. 1, since that is our topic, it raises far more questions than it answers. Perhaps I may touch on a few points.

The young person's right to elect is provided in the Act, except in the case of murder charges. However, there is no indication when the right to elect to be judged before a jury or before a judge or a magistrate may be exercised. Will a young person exercise his right when he first appears in court? Will he exercise it at the preliminary hearing? Will he exercise it when he applies for bail or release from custody? There is no indication at all. There is absolutely nothing to go by. Does this mean we go by the jurisprudence already established in adult court? There is no indication where the law stands.

• (1010)

I think the government will have to redo its homework on this one. The steamroller approach may have to be moderated a bit.

One wonders also, in the case of a young person charged with murder, to which court his request would have to be submitted for release on bail while proceedings are pending. Would it be a superior court, as is the case presently for adults, or would it be a youth court? The rules are different.

If a young person must appear before a superior court judge to request release on bail for the duration of the proceedings, there are no safeguards against possible information leaks resulting from the presentation of such a request. It might be covered by a journalist, names might be published, although the Young Offenders Act includes specific provisions to protect the young person's identity, in large measure at least.

So the young person may very well appear before a youth court, but be required to appear before a superior court judge to request a release, just as adults must, and then the matter would be disclosed even though it is maintained that the preliminary inquiry would take place before a youth court. This poses a serious problem. I think this needs to be reworked. I also think it was done in a bit of a rush because it was only in a parliamentary committee that the official opposition pointed out that, with longer sentences, the young person would then acquire the choice of proceeding to trial by judge and jury. This aspect has evidently not been thoroughly investigated.

An attempt was made, of course, to link the right to trial by jury, guaranteed by the Canadian constitution even for young persons liable to a prison term of more than five years and Bill C–37, which, originally, made no reference to it at all. Departmental lawyers will have to look at the question more to avoid having the courts establish jurisprudence on procedure over the years.

I understand that, in substantive law, the courts have considerable power to establish rights, but the procedure should be established by the legislator in as safe and certain a context as possible. Vague provisions such as these cannot be ignored. Provision must be made at least for a ban on the publication of the name of the applicant in an application for release, if the application is to be heard by a justice of the superior court, because this is absolutely not clear.

Currently, appearance is made before a youth court justice, and the preliminary inquiry takes place in a youth court. What happens, though, if a bail application is made in between the two; where is it heard? It could be claimed that, since, at least until this point, proceedings are held in a youth court, all proceedings could take place there, but the legislation does not speak on this. Provision must be made to permit everything to remain in youth court, even the application for release on bail, since it is made generally between the appearance and the preliminary inquiry, which takes place in youth court.

Guidelines must be established and limits set on motions for a referral order by the Crown. When can the Crown make such motions? At any point before the trial? Immediately before appearance is made? Following the preliminary inquiry? Between the time of appearance and the preliminary inquiry? Here again it is vague. We will have to rely on the precedents that will be set to determine at what point the Crown will be able to do it under the new legislation. I think it should occur between the appearance and the preliminary inquiry or very shortly after the appearance. Certainly not any longer than the three days that the Crown already has to request that the release from custody hearing be delayed. The legislation is not specific. This must

absolutely be clarified, and surely the department's jurists could help out in this area.

Since Part XVIII of the Criminal Code is referred to specifically, in relation to Motion No. 1, as much for what it says as for what it fails to say, I ask myself the following question: Does the crown have the right to evoke preferred indictment in cases involving young adolescents or is preferred indictment out of the question?

• (1015)

If preferred indictment can be used, young people will be treated exactly like adults, at each stage. If the crown decides to proceed by preferred indictment, the young person will appear before a justice and then will be sent directly to trial by judge and jury, without any preliminary inquiry.

At the very least, there must be a provision ensuring that preferred indictment cannot be invoked for a young person accused of a criminal act which is punishable by a prison term of over five years, or, if it is used, certain procedures must be put in place for the youth court, otherwise the Young Offenders Act will have lost all meaning. By proceeding by preferred indictment the crown will be able to sidestep the Young Offenders Act and to send the young person directly to criminal court.

I was already of the opinion that bill C–37 was extremely regressive, considering all of the improvements made to criminal law between 1969 and 1980. I believe that Motion No. 1 makes it worse and the opposition will vote against the motion.

[*English*]

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, I rise today to speak to Motion No. 1. We in this party recognize it is a step in the right direction, but it is a small step. It does not accomplish what the Canadian people want to see accomplished. It does not accomplish what we in this party recognize needs to be accomplished.

I will draw what may be a poor analogy. If you wanted to head from Ottawa to Vancouver and you got on the 401 heading west, you would say that you were going in the right direction but you would not pat yourself on the back because you hit the outskirts of town here. People do not want us to drive on a highway in first gear. They want us to get to Vancouver in a hurry. They want us to get on a jet and get there overnight.

That is what we find wrong with this legislation. It does not begin to accomplish what we know needs to be accomplished. For that reason my party and I have a great deal of difficulty with this amendment.

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: Pursuant to Standing Order 76.1(8), a recorded division on the proposed motion stands deferred.

Hon. Lawrence MacAulay (for Minister of Justice and Attorney General of Canada, Lib.): moved:

Motion No. 2

That Bill C–37, in Clause 31, be amended:

(*a*) by replacing line 34, on page 24, with the following: "offence referred to in the schedule shall, when the circumstances set out in subsection (1) are realized in respect of the records, be" and

(*b*) by replacing line 42, on page 24, with the following: "tion 41(1) shall, when the circumstances set out in subsection (1) are realized in respect of the records, be transferred to that special".

Motion No. 3

That Bill C–37, in Clause 31, be amended by adding, immediately after line 3 on page 25, the following:

"(4) Paragraphs 45(1)(*d*.1) to (e) of the act, as enacted by subsection (2), apply in respect of a record relating to a finding of guilt made before the coming into force of that subsection only if the person to whom the record relates applies, after the coming into force of that subsection, to the Royal Canadian Mounted Police to have those paragraphs apply."

Motion No. 4

That Bill C–37, in Clause 32, be amended by replacing line 24, on page 25, with the following:

"to (*d*) may be kept indefinitely in the special".

• (1020)

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the three motions which have been grouped together are consequential in nature.

Motion No. 2 flows from the creation in Bill C–37 of two additional repositories. One is the special records repository which is referred to in clause 32, page 25, proposed section

45(2), and the other is the fingerprint repository which is referred to in clause 32, page 27, proposed section 45(3).

These two repositories will permit the RCMP to store records for additional periods of time. The provisions however require a more limited access than the general repository of the RCMP. The amendment will clarify the point in time at which the records may be transferred from the general repository to the special repositories. The existing scheme already requires a crime free period of behaviour before a youth's record may be subject to destruction.

The scheme in Bill C–37 prolongs the period that records of certain offences will be detained as further precaution. In effect, the records from the general repository are moved to a more restricted repository once the young person has met specified conditions set out in section 45(1) as amended by clause 31 of Bill C–37. The time periods for retention in the general repository were amended in Bill C–37 to generally correspond with pardon periods applicable to adults.

Motion No. 3 flows from the Bill C–37 changes to the record provisions which allow for shorter retention periods for less serious offences and require longer retention for more serious offences. These retention periods will apply to the records of young offenders dealt with prior to the coming into force of Bill C–37.

The effect of the motion is to require young offenders who have received absolute or conditional discharges or have been found guilty of a summary conviction offence to apply for the destruction of their records if they wish the shorter time periods to be applied to them. The conditional discharges were not legislatively provided for in the Young Offenders Act but were introduced into Bill C–37. This motion includes conditional discharges as some judges ordered them.

This measure will allow eligible youth the benefit of early destruction of their records. It is also resource efficient and will avoid the necessity of a mutual case by case search through the existing data bank which could cost well in excess of one million dollars.

For a youth whose records will come into existence following implementation of Bill C–37, the process will be automated and no application by the young person will be required.

• (1025)

With respect to Motion No. 4, like the other two it is consequential in nature. It flows from the motion passed by the committee at the committee stage which removes aggravated assault from the list of offences which trigger presumptive transfers. The option of seeking to have a case involving this charge transferred to the adult court remains open to the crown or course.

The effect of section 45.02(2) is that records relating to murder and to any of the presumptive transfer offences may be kept indefinitely in a special repository of the RCMP.

[*Translation*]

Mr. François Langlois (Bellechasse, BQ): Mr. Speaker, Motions Nos. 2, 3 and 4 are indeed rather technical. Their purpose is to improve an ill–conceived bill. By making technical improvements to an ill–conceived bill, we are in fact making it worse.

We will, however, agree to Motions Nos. 2, 3 and 4 on division without a recorded vote.

[*English*]

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, Motion No. 2 merely provides further amplification and clarification but does not materially change the bill. Therefore, we are opposed to this motion on the basis that we oppose Bill C–37.

Motion No. 3 provides clear direction for the RCMP to destroy records at set periods of time subsequent to conviction of the less serious offences for which an absolute discharge, a conditional discharge or a summary conviction punishment has been imposed.

Motion No. 4 merely corrects a mistake or a typo in the bill which states "in paragraphs 16(1.01) (b) to (e)". The list only went up to (d) so there was no (e).

Once again, on behalf of the Reform caucus I oppose these cosmetic changes. The only way I will lend support to anything dealing with the Young Offenders Act is if it has teeth, if it does something to reduce criminal activity among youth, if it provides for the increased protection of society which is at the heart of this debate and which is the objective of the traditional role of justice in this country. This is an objective the Liberal government and its predecessor seem to have forgotten in the quest to have the rights of criminals supersede the rights of victims, the victims' families and society at large.

Hon. Warren Allmand (Notre–Dame–de–Grâce, Lib.): Mr. Speaker, I just listened to the speech made by the member from the Reform Party who says he will only support measures with respect to young offenders or amendments to the Young Offenders Act if they have teeth and will do something to substantially reduce youth crime. If that is the case, I am wondering why the Reform Party does not support measures which will really be directed to the causes of crime and to the real reasons young people commit crime.

Every time measures are put forward that will really do something to reduce the rate of crime in this country, including youth crime, Reform Party members are opposed to it. They are opposed to spending money on serious social programs. They are opposed to spending money which would really help youth reintegrate into society. They are really opposed to programs that would help youth re–adapt in society. All they want to do is

put young people in prison and let them sit there by themselves doing nothing.

The Deputy Speaker: The member for Skeena will realize that one can only debate once at this time, therefore, the hon. House leader for the Reform Party.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, in response to whether or not there is substantive material here that we are dealing with, I would concur with the hon. member for Skeena. What the amendments we are discussing today really include is so minor it does not substantially change the material beast of Bill C–37, which is not even a half–baked measure, perhaps not even a quarter–baked measure as far as solving the problems of young offenders and their criminal activity are concerned.

I had the privilege in January before we came back to the House to visit many schools in my constituency. In a free question and answer period students were able to dialogue with their member of Parliament.

They brought up the case of the Young Offenders Act. It was not something I mentioned in my brief presentation to them. They indicated it was insufficient. It has no support among young people. They felt it was casting them in a bad light. They were demanding change.

• (1030)

When will this Liberal government realize that even young people want reform of the Young Offenders Act? Give us some meat. Give us something that is substantive and will change the Young Offenders Act to protect the reputations of our young people.

[*Translation*]

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, yesterday, we met with the Council of Churches and they totally agreed with my Liberal colleague. We must address the root causes of the problem. It is not by putting people in jail that we will teach members of society how to live together, and that we will spend as little as possible.

You know that prisoners cost a fortune, not to mention prisons and penitentiaries. When our colleagues from the Reform Party say that tough sentences are needed, almost suggesting that criminals must be punished, I, on the other hand, say that we must address the root causes. We must invest in prevention, in education. We as a society should consider the issue thoroughly and spend the money wisely.

A suggestion was made yesterday. Let us assume that the judges are given the money they need for the year—let us say, for example, $187 million per district. This money could be managed jointly by the judges themselves and the citizens. If that were the case, protecting society would not cost $187 million. It would only cost half as much and these people would also make a contribution to society.

I think that we could make several suggestions like that one.

[*English*]

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, I listened with some interest when the member for Notre–Dame–de–Grâce accused the Reform Party of not supporting legislation that was going to solve some of the problems of why young people commit crimes.

I suggest to the member that he had ample opportunity when he was Solicitor General and in a position to bring in legislation, to prevent the problems we have today. He did not. All he did was bring in legislation that amplified the problems we now have as a result of the Young Offenders Act.

Like my colleague here, I went into a number of schools in my constituency over the holiday break. I heard the same things. The young people in our country do not feel protected by this legislation. They want some serious changes made to it, not just housekeeping and not just changes in the way we say things. They want to feel free when walking the streets, unhampered in their schools and in their communities.

I do not hear that from the young people. What I hear from the young people and the seniors in my community is that they want protection. They do not see protection in what the government is offering.

It concerns me when I see that the government, which has the potential and the opportunity to put in legislation that would keep pedophiles from wandering the streets, which would at least let the community know who these pedophiles are in order to protect the young people in our communities, fails to do that.

My party is waiting for the government to come up with legislation that we can support. We are waiting for legislation that will make a difference, not this kind of legislation that is going to do nothing but take us further down the path of do nothing legislation.

Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.): Smoke screens, Mr. Speaker. That is what is coming from the Liberal side all of the time. We see it from the justice minister on the firearms legislation that is proposed. Because it is something he cannot deal with, he comes out with this as a smoke screen to suggest that he is doing something. This motion is no different.

• (1035)

People ask why we oppose something that is a step in the right direction. The problem is that if they take a step they say: "There, we have given you a solution", but we never take the full trip.

The government is going to have to come out with something substantive that will answer the needs of the public, answer the needs of the young people. If it does not, we will never get the final solutions which we require. Half measures have to stop. They do not work. They are only being used as an excuse to cover up the fact that the government does not know what really needs to be done or it does not have the will to do it.

My hon. colleague from the Bloc said that we cannot make the Young Offenders Act tougher, we have to get to the bottom of the problem, find the solutions. Nothing says we cannot work on solving the problems before they come to the justice system. The bottom line is still to protect the rights of law–abiding citizens and their property. Young Offenders Act problems are created mostly against young people. It is the young people we are defending, not oppressing.

Hon. Audrey McLaughlin (Yukon, NDP): Mr. Speaker, the amendments before us today raise a larger issue and that is the need, which is ongoing, to study the Young Offenders Act as a whole and not to bring in piecemeal methods.

I heartily disagree with my Reform colleagues who would simply lock up every young person in the hope that they would not commit a crime. At the same time they would cut the social programs and the kind of facilities available to young people.

We have a disturbing trend in this country of a very anti–youth movement. The government has not addressed youth unemployment. Why is it not doing that? It has not addressed the need of young people to have better services for treatment and for work in the communities. Instead it is contemplating cutting some of those very services.

Of course we have to deal with those young people who are committing crimes. We have to deal with the communities and the parents who are dealing with those young people. However we will not do it by the government's policy of an anti–youth campaign which this legislation is.

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, it is about time that we got back to reality.

I have heard inflammatory comments from members of the Reform Party, and in her effort to correct the record I think the hon. member for Yukon only made things slightly worse, but in the other direction. She referred to things such as treatment, which fall under the authority of the provincial government, as she knows. I really wonder how hon. members can make statements such as that.

I heard a Reform Party member ask why are we not addressing in this bill issues dealing with pedophiles. This is an amendment to the Young Offenders Act, made prior to the comprehensive 10–year review. This amendment is designed to be an interim measure until we have more comprehensive review of the legislation. It is not a substitute for the review. As a matter of fact, the review is going to start very shortly. All members of the House know that.

Only a few days ago a member of the Reform Party was sending letters to Canadians, telling them that members did not care about such issues and that the only way to get things fixed was to buy a membership card for the Reform Party. That is the kind of nonsense and fearmongering that we have been hearing. It is victimizing Canadians, trying to take advantage of fears which they might have.

It is about time we had a little bit of honesty surrounding this and other issues involving social policy and justice.

Some hon. members: Oh, oh.

Mr. Boudria: Mr. Speaker, I notice my comments are generating a bit of heckling. I am glad. The purpose of this bill, first, is to make sure that 16 and 17–year olds who have committed a violent crime can be shifted to adult court in a more expeditious manner. It has to do with information sharing and it has to do with stiffer sentencing, when required. But let us not portray all young people or even most people as being members of that group.

• (1040)

I am the father of two adolescents. I too hear from them the concerns that they have about people in their age groups who do things that are improper. However, at the same time let us not pretend that we live in the most crime ridden society on earth or that locking everybody up would necessarily make us safer. After all the United States would be nirvana for everyone if locking people up made society such a better place.

We have just lived through a terrible economic recession. We know it. But we know that right now there are 424,000 more jobs than there was at this time last year. These are statistics this morning from Statistics Canada. We know that those are the kinds of measures that will help to reduce crime; helping Canadians to have jobs and hope.

Simply locking people up the way the Reform Party members pretend is the solution, is not so. Deep in their hearts they know the truth. It is about time they said it instead of the nonsense we are hearing from them.

[*Translation*]

Mr. André Caron (Jonquière, BQ): Mr. Speaker, I have been listening to what our friends in the Reform Party have been saying in the House, and I get the impression they are asking us to live in a world where the rich get richer and the poor go to jail.

What exactly does the Reform Party want? They say we need less government and fewer taxes. So what will that mean? It will

mean less government, fewer social programs to benefit the poor, the sick, the elderly and aboriginal people.

That is the kind of world they would have us live in. They say: cut spending, cut taxes. Sure, Canada may be spending too much and sure, we have to pay taxes, but today I read in the paper that Canada ranked fourteenth among industrialized countries in terms of the tax burden on its citizens. So there is a fallacy somewhere. They say we can no longer afford to spend, so let us look into this. They say we are overtaxed. Well, I am not crazy about taxes, but I wish they would stop and think before saying we should let the neediest in our society go hungry so we can reduce the tax burden on people who just want more money than they already have.

Today, we are talking about young offenders, and sadly, in most cases, people who go to jail are anything but wealthy. These are usually people from disadvantaged families who for all kinds of reasons became involved in crime, but the point is that we want to do something for these people and if we want to do something for our country in the process, we should try and prevent youth crime. We should try and give them some hope, and putting security people in our schools and having armed police officers controlling places where young people get together is not the answer.

In any case, I hope our friends in the Reform Party, especially as far as this legislation is concerned, will stop and think what it would be like if their children were in prison at the age of 15, 16 or 17, without much hope for the future and without much hope of being rehabilitated. I think they would change their tune. It is all very well to talk about these things and make certain suggestions and even go along with them here in the House, but out in the real world, in the schools and the prisons, when we see what young people are up against, I think the issues are far more fundamental than what we have heard today.

[*English*]

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, we have heard a lot of rhetoric this morning from the opposite side. Lots and lots of rhetoric. The Liberals need to remember that when they attack the Reform Party they are attacking the people of Canada because poll after poll shows that people are upset with the Young Offenders Act. They want changes made to put some teeth in it.

Like my hon. colleagues I also visited a number of schools during the break. I got the same message from the students as my colleagues did. The students are fed up with the Young Offenders Act. They feel unsafe. They do not even feel safe going to the McDonald's in North Vancouver because of the gangs that cannot be arrested, that cannot be touched by the police.

When the police approach a gang outside McDonald's on Lynn Valley Road the gang swears at the police. "F–off" they say to the police. What sort of control is that? People feel unsafe in their communities. They feel as if the government is letting them down. It is time the Liberal government dropped its rhetoric. Of course we need to get to the source of crime and to help the people at the beginning to prevent crime, but we also have to address the problem of the criminals who are already there, the ones who are making society unsafe.

• (1045)

We have to put those people away so that we can protect society. We have to put the rights of victims ahead of the rights of criminals.

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: The question is on Motion No. 2. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

An hon. member: On division.

(Motion agreed to.)

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

An hon. member: On division.

(Motion agreed to.)

The Deputy Speaker: The next question is on Motion No. 4. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

An hon. member: On division.

(Motion agreed to.)

The Deputy Speaker: Motions Nos. 5, 6 and 7 will be grouped for debate but voted on separately.

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.) moved:

Motion No. 5

That Bill C–37, in Clause 35, be amended by striking out lines 17 to 20 on page 29.

Motion No. 6

That Bill C–37, in Clause 35, be amended by replacing lines 3 and 4 on page 30 with the following:

"waiver shall be videotaped or be in writing, and where it is in writing it shall contain a statement signed by the young person"

Motion No. 7

That Bill C–37, in Clause 35, be amended by replacing lines 23 and 24 on page 30 with the following:

"or waiver would otherwise be admissible."

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, Motion No. 5 is the substantive amendment I mentioned at the beginning of my remarks.

This issue revolves around the obligation of police to advise young persons before taking a statement of the possibility of the youth being dealt with as an adult.

Bill C–37 proposed an amendment to require police to so warn a youth where applicable. The language in the bill has been criticized for being vague and for possibly resulting in the exclusion of statements that would otherwise be admissible.

The effect of this motion is to rely on the common law principles articulated by the Supreme Court of Canada in the case of R v. ET, 1993. This option will allow the courts to examine the specific circumstances under which the statement was given to determine the relevance of the warning relating to the possibility of transfer.

Proceeding in this way will also allow broader study of this and other evidentiary issues in the broader review of the youth justice system and the Young Offenders Act.

• (1050)

Motion No. 6 is technical in nature. Its effect is to clarify that the requirement for a waiver to be signed by the young person applies only to a written waiver and not to a videotaped waiver.

One of the reasons for amending Bill C–37 to allow for videotape waivers is that some youth are willing to waive their rights to consult counsel and/or an adult and to make a statement but are unwilling to sign the waiver. Currently the Young Offenders Act does not provide for oral waivers.

Motion No. 7 is technical in nature and intended to clarify an ambiguity. Bill C–37 provides in subparagraph 56(5.1)(c) for the situation where a youth misrepresents his or her age and then subsequently seeks to rely on the evidentiary safeguards for youth provided in section 56.

The bill would permit a judge to rule a statement admissible under specified circumstances even where the normal safeguards required for admissibility of statements have not been met. One of the circumstances is that the statement would be admissible in common law and under the Charter of Rights and Freedoms. The additional clause in subparagraph (c) which states "and its admission would be appropriate" is vague and is seen as unnecessary.

[*Translation*]

Mr. François Langlois (Bellechasse, BQ): Mr. Speaker, sometimes it is almost ironic to listen in this House to my good friend, the hon. member for Glengarry—Prescott—Russell, criticize the Reform Party, and especially the hon. member for Surrey—White Rock—South Langley, as if Bill C–37 had been tabled by the Reform Party. This government whip who made his people rise to vote in favour of Bill C–37 is at the same time criticizing our Reform colleagues for not going far enough. He should find a logical niche to call his own.

Bill C–37 shows us that the Liberals only have a right wing. For a government to remain in the centre, it must have a left wing to balance things out from time to time. The Liberal Party is now siding with Reform, and we see the hon. member for Glengarry—Prescott—Russell criticizing the Reformers' current position, even though this bill was initiated by the government.

I would like to know what the hon. member for Notre–Dame–de–Grâce think about the standing committee's proposed amendment to Motion No. 5. The standing committee simply proposes that the admissibility of a statement given to a person in authority or a peace officer be subject to an additional requirement, namely that the person in authority or the peace officer inform the young person that he or she may be dealt with as an adult and could therefore face the same consequences as an adult.

A 15–year–old who gets arrested under a new law does not always know what the consequences may be. However, the person who makes the arrest or who has authority over the young person as far as the statement's admissibility is concerned must know that the young person may be tried in adult court and face extremely harsh sentences. Why not maintain the standing committee's proposed requirement to inform the young person of the seriousness of the charge that may be laid against him or her? This would make the young person think for a moment instead of trying to recant later and having previous statements ruled inadmissible.

The young person may want to consult first his parents and then perhaps a lawyer or another person as provided for in section 56 of the Act before making statements that would be very easy to obtain, as young people are much easier to manipulate and draw confessions from. These statements would not really be made freely and voluntarily, as they would be obtained under false representations or through promises or threats.

• (1055)

I think that the provision proposed by the standing committee should be maintained. Consequently, we will vote against Motion No. 5 aimed at removing this requirement.

As for the other amendments, they are technical in nature, in our opinion.

[*English*]

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, we have a great deal of difficulty with these amendments as with the other amendments because they do not go nearly far enough in addressing the real issue.

I must say that I appreciate the remarks my colleague in the Bloc just made because he was right on the money. The problems that we are dealing with in the Young Offenders Act were created by that party and specifically by the member for Notre–Dame–de–Grâce who stood a few minutes ago and said that the reason we have problems with young offenders in Canada is that we do not spend enough money. He is saying that we should spend money.

If money were the criterion by which we could fix our problems, with the spending that has gone on here in the last 20 years we would be living in a nation of saints. However we are not because that is not human nature. Human nature requires accountability and deterrents. We do not get them with the Young Offenders Act or with these proposed amendments.

I suggest that the government should examine the real causes of crime in society and the Young Offenders Act and put teeth into the act so that young people understand there is a real price to pay for the transgressions they commit.

Hon. Warren Allmand (Notre–Dame–de–Grâce, Lib.): Mr. Speaker, first I want to put a question to the parliamentary secretary or to the minister with respect to Motion No. 5 that would strike out lines 17 to 20 on page 30. Those lines state that when applicable the young person may be dealt with as an adult and if dealt with as an adult could face the same consequences as an adult.

In accordance with the portion I just read, the officer who would be advising a young offender would have to tell him that those were the possible consequences before he signed a waiver.

The amendment that is now being presented by the government would strike out the requirement to advise the young offender there is a possibility that he could be dealt with as an adult and could face the consequences in adult court and go to an adult prison.

I do not quite understand why the government is now making a motion to strike that advice to the young offender. Therefore, when the parliamentary secretary makes his concluding remarks, I would like him explain further why they are now striking out that section which would require the police officer or the official to advise the young offender of that possibility.

I also want to take up again the remarks of the Reform Party. To begin with, let me say that the problems with youth crime cannot be attributed to the sections of the Young Offenders Act. Yes, I bear a lot of responsibility for the Young Offenders Act, but the reasons for youth crime are not with the Young Offenders Act. That is where members of the Reform Party err over and over again. They think that if we amend a few lines in the Young Offenders Act, if we make the penalties tougher and do a few things like that, everything will be fine. They are living in a dream world.

The Deputy Speaker: Order, please. The member will have the floor after question period. We will now go to Statements by Members pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[*Translation*]

MINISTER OF HEALTH

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, the Minister of Health has frightfully mismanaged her portfolio, hidden behind her staff to camouflage her total lack of leadership and vision and, thus, has lost all credibility.

Overtaken by events, the minister lacks the compassion and passion that moves mountains and softens the Treasury Board. At present, seven community organizations that are devoted heart and soul to supporting people with AIDS have been waiting since October for the minister to trouble herself to follow up on their cries for help.

• (1100)

After giving her the benefit of the doubt for several months, after seeing her refuse to give Canadians a real inquiry into the tainted blood issue, continue to act irresponsibly regarding the hepatitis C issue and sit idly by while women with breast implants were treated with contempt, we must admit the undeniable truth: this minister must resign, out of decency, out of respect for her position and in the best interests of Quebecers and Canadians.

Madam Minister, you have made too many errors.

* * *

[*English*]

CANADIAN BROADCASTING CORPORATION

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, the Canadian Broadcasting Corporation, our national public broadcasting service, is attempting to obtain permission to televise the Paul Bernardo trial later this year.

The people of St. Catharines have lived with the loss of a young student, friend and beloved daughter. Respect for the families that are the victims of violence and our own sense of decency tell us that what the CBC is doing is totally wrong.

Concerned citizens are calling for a stop to this Americanization of Canada and they are signing petitions. They are angry that taxpayers' dollars are being wasted by the CBC.

I hope the Minister of Finance and the Minister of Canadian Heritage understand this waste when reviewing grants to the CBC.

* * *

CANADIAN CULTURE

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, the secretary of state in a recent interview stated that we have no national culture. I would like to take this opportunity to respond to that statement.

Most Canadians believe, as my party does, that we must uphold the right of citizens and private groups to preserve their cultural heritage using their own resources but are opposed to taxpayer funded multicultural programs.

An ideological conception of culture is that as Canadians we believe we have something that others do not. Collectively we see ourselves as a tolerant, peaceful and independent people. Canadian culture is not insular but rather has an international consciousness that embraces the ethnic richness others have brought to our shores.

The difficulty is that we continue to debate our self–conception. We need to stop struggling with our self–image and accept who were are.

Visually our culture is a kaleidoscope of images, finely integrated and ever changing. Visual symbols such as our flag, the uniform of the Royal Canadian Mounted Police, the fleur de lis and the ice flows of the north all connect us to one another at the deepest level of our consciousness. This is our Canadian culture.

* * *

SONS OF NORWAY

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, while Parliament was in recess a very important date passed that I would like to acknowledge today.

On behalf of all Canadians of Norwegian descent I would like to congratulate the Sons of Norway which celebrated its 100th anniversary of January 16, 1995.

The organization has come a long way since its 18 founding members pulled it together 100 years ago. There are today more than 70,000 members and more than 400 lodges in Canada, the United States and Norway.

Continuing what they began in 1895, the Sons of Norway provide its members with the opportunity to care for themselves in times of sickness or death and to advance their language and cultural heritage in North America.

I am particularly proud of my own Nisse Lodge No. 567 in District No. 4 which accepted my application for membership a number of years ago.

I am sure the members of this House would join me today in extending our warmest congratulations and best wishes to the Sons of Norway in this, its centennial year.

* * *

PORT OF CHURCHILL

Mrs. Marlene Cowling (Dauphin—Swan River, Lib.): Mr. Speaker, the port of Churchill is the prairie's own grain outlet and an integral component of Canada's transportation system. Therefore it is essential that prairie farmers continue to have access to this cost effective outlet for their grain and that the port is used to the best advantage of prairie farmers.

A recent report released by the Churchill task force demonstrates the enormous potential of the port and the benefits of a rational, long term approach to the revitalization of the port and bayline.

As the report noted, it would be irresponsible to allow these facilities to deteriorate from neglect when they could continue to make an important contribution to the Canadian economy.

An investment in Churchill is an investment in northern Manitoba, in the Spaceport Canada project, in tourism, in jobs in an area of chronic high unemployment and in the future of prairie agriculture.

* * *

[*Translation*]

EQUALIZATION PAYMENTS

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Mr. Speaker, the Quebec minister of industry said Wednesday, at the hearings of the North Shore regional commission on Quebec sovereignty, that equalization payments represent only $500 per person annually, or a twelve–pack a week.

• (1105)

I would point out to Mr. Paillé that equalization payments, that is the amount the federal government transfers to Quebec annually, are on the order of 3.7 billion dollars.

To describe the contribution made by the Canadian government to redistributing the collective wealth of this country to those in greater need, the minister has used an image that reveals the growing obsession of the members of the Parti Quebecois and the Bloc with concealing any positive initiative by Canada.

* * *

FRANCOPHONE MINORITIES

Mrs. Christiane Gagnon (Quebec, BQ): Mr. Speaker, while the Prime Minister is strutting about telling everyone that Canada is the best country in the world, according to the United Nations, the quality of life of Franco–Ontarians is comparable to that of citizens in the Third World. This was the finding of a study made public yesterday by a group promoting the development of French in Ontario.

It also revealed that if the UN were to take the rate of functional illiteracy among Franco–Ontarians into consideration in calculating the human development index, Canada would be a long way from first place.

How can the Prime Minister crow about a superficial rating and close his eyes to the despicable treatment of the French speaking minority by English Canada? If Statistics Canada were to supply the UN with the real figures on illiteracy among francophones outside Quebec, the Prime Minister might be more circumspect.

* * *

[*English*]

FORESTRY

Mr. John Murphy (Annapolis Valley—Hants, Lib.): Mr. Speaker, I rise today to urge the federal government to renew the federal–provincial woodlot development program with the province of Nova Scotia.

In my riding of Annapolis Valley—Hants there are many private woodlot owners who have worked extremely hard to develop a feasible and financially viable industry. This agreement plays a key role in promoting a sustainable, economically sound forestry industry.

By renewing our commitment to this program we can help ensure more long term jobs through better use of all the resources in our forests, a healthier and more productive forest through improved methods of harvesting and better trained, more entrepreneurial woodlot owners.

I believe through this agreement our government can play an important role in promoting economic growth and environmental sustainability in Nova Scotia's forestry sector.

* * *

SOCIAL PROGRAMS

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, the Minister of Human Resources Development continues to call attention to a quote attributed to me regarding the thoughtfulness of Reform's dissenting opinion to his committee's report. I make no apology for the content of our report. I wholeheartedly endorse Reform's dissenting opinion.

Our response to the committee's recommendations was hastily written only because we were given two days to craft a response, a little less than the four months the minister's office had to write the report for the committee in the first place.

If the minister would think through his own recommendations and come to grips with reforming Canada's social programs without spending more money, especially borrowed money, Canadians would not be so worried about their personal security. If there were ever a time for leadership it is now.

I say to the minister rather than distorting the position of your critics, you would serve citizens better by crafting a position of your own; not one for your own political purposes, but one that is in the best interest of Canadians.

* * *

DURHAM COLLEGE

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, Durham is home to Durham College, which from 1992 to 1994 was the fastest growing community college in Ontario. It now has over 42,700 students learning technical skills which will ensure that Durham and Canada will be world class competitors in the future.

Durham College is very much community based. I am pleased to say that I have used its facilities to bring constituents together to discuss issues dealing with government. The most recent was

a forum on the future of Canada's social programs hosted by the president, Mr. Polansky.

A number of weeks ago the students started a protest with respect to a possible rise in tuition fees which may result from program changes regarding federal funding of post–secondary education. Instead of throwing macaroni and being generally disruptive, these students raised money for a local food bank, making a positive contribution to their community while getting their point across.

I have received their initial petition of over 600 signatures. I am sure more are on the way.

I would like to thank the students of Durham College and assure them that I appreciate their mature attitude and I further assure them I will be relaying their concerns directly to the Minister of Human Resources Development.

* * *

• (1110)

MEMBERS OF PARLIAMENT PENSIONS

Ms. Paddy Torsney (Burlington, Lib.): Mr. Speaker, in 1993 Liberals campaigned on the promise to reform MPs' pensions. We committed in the red book to end double–dipping and the Prime Minister has effectively done that for all appointments he has made; witness Romeo LeBlanc and Ed Broadbent.

We told Canadians we would change the age at which MPs could collect their pensions. No more Perrin Beattys should leave this House.

All Canadians are going to be asked to share the pain equally in the next budget. Members of Parliament must show leadership. Let us join with men and women, our constituents of all parties. Now is the time for pension reform.

* * *

MARINE TRANSPORT

Mr. Stan Keyes (Hamilton West, Lib.): Mr. Speaker, the Standing Committee on Transport has embarked on a comprehensive study of the Canadian marine sector. The study is being conducted to assist the Minister of Transport with a broad review of the marine sector.

The marine study will include an examination of the port system, pilotage services, the St. Lawrence Seaway and the Canadian Coast Guard. The marine sector plays a vital role in the Canadian economy. Consequently it is incumbent upon us to ensure that Canadian marine policy is conducive to enhanced levels of safety, efficiency, environmental protection and global competitiveness.

Furthermore it should be noted that the Canadian marine sector contributes almost $2 billion a year to Canada's gross domestic product and moves over 225 million tonnes of international trade every year.

As chairperson of the Standing Committee on Transport, I encourage all members to inform individuals and organizations involved in marine operations of the public committee hearings to be conducted on marine issues.

* * *

[*Translation*]

QUEBEC REFERENDUM

Mr. André Caron (Jonquière, BQ): Mr. Speaker, the members of the official opposition were not in the least surprised this morning to learn that the office of the Prime Minister has set up a special referendum unit, just for referendum activities. History is repeating itself. In 1980, the Liberal government, as the great defender of Canadian unity, used its spending power to fight Quebec sovereignists.

As usual, the federal government is not playing by the rules. As it did in 1980, it is quietly pouring considerable financial and human resources into the Prime Minister's political machinery, away from prying eyes and embarrassing questions. However, in 1995, the people of Quebec will not be fooled by these typically Liberal tactics. We have seen this before; it does not bother us any more.

* * *

[*English*]

SMALL BUSINESS

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, it is a fact that our debt and taxes have soared over the last 20 years, but those are simply numbers.

What is really important is how the debt and taxes have affected the lives of men, women and children across the country. It would be a mistake to limit our calculation of the damage to the numbers of people who have been forced out of work because of business closures and plant shutdowns, as tragic as those things are.

What we do not see are the jobs that were never created in the first place because people who had dreams of starting their own business were greeted by a government created business environment that was hostile to business. High taxes, regulation and big government; these three have conspired to crush the incentive of thousands of Canadians who are desperately searching for a sign that their hard work will be rewarded.

While many people ingenuinely claim victim status these days, the real victims are the great silent majority who have done their best while successive governments have done their worst.

No new taxes, cut spending is their message.

* * *

JUSTICE

Mr. Jack Iyerak Anawak (Nunatsiaq, Lib.):

[Editor's Note: Member spoke in Inuktitut]

[English]

Mr. Speaker, many of my constituents are alarmed by the Supreme Court ruling on extreme drunkenness as a defence. A petition signed by several concerned people was recently sent to me and I would like to draw it to the attention of this House and the government.

The implication of this ruling for communities which suffer from significant alcohol and drug abuse is extremely worrisome and the impact on women and children is particularly serious.

My constituents do not believe that our legal system should accept drunkenness as an excuse for violence and I agree. The Status of Women Council of the Northwest Territories is also urging a government response. It is asking the Minister of Justice to take action.

Last November the Minister of Justice put out a consultation paper on reform of the general part of the Criminal Code. The paper asks for the public's views on many issues, including the defence of intoxication. Extreme drunkenness as a defence is not acceptable.

* * *

PATRONAGE APPOINTMENTS

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, patronage appointments are alive and well within the Liberal Party.

When the Conservatives were appointing from within the Liberals called it unethical. The Liberals said they would open it up and make merit the main operating principle. Opening it up is exactly what they did if you belong to the Liberal Party.

● (1115)

The Liberals again have appointed one of their own, Marian Robson, a former appointee of the Vancouver Port Authority, to a comfy six figure salary job at the National Transportation Agency, albeit with a bit of a twist: she did not even compete for the job.

Other qualified candidates applied through the front door, through *The Canada Gazette*. What a shame for these qualified candidates that it did not say in *The Canada Gazette* that they had to be a Liberal Party member.

The Liberals now feel guilty. They do not want to be known as unethical, so they have changed the notice in *The Canada Gazette*. It now reads: "This notice has been placed in *The Canada Gazette* to assist in identifying qualified candidates for the position. It is not intended, however, to be the sole means of recruitment".

This is not unethical, it is flat out political corruption.

* * *

[Translation]

THE LATE YVON DEVEAU

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso, Lib.): Mr. Speaker, on Friday, January 13, the Acadian village of Cheticamp and in fact all of Acadia lost a giant of a man in the person of Yvon Deveau, who lost his life in a highway tragedy.

Teacher at the NDA school, frontline fighter for Nova Scotia Acadians, manager of the Coopérative des pêcheurs—he wore all these hats and many more. I worked with Yvon on a number of occasions—on the thorny question of monitoring fishing practices and on the importance of crab fishing. He was always concerned for the development of his community and the welfare of other people.

On the day he died, he was coming from a meeting in Moncton in another effort to rescue the fishing industry from crisis and to save jobs in his native village.

On Wednesday, another Acadian, the Right Hon. Roméo LeBlanc, Governor General of Canada, paid tribute to the extraordinary courage of Canadians.

Yvon Deveau's devotion and community spirit were examples of such courage.

ORAL QUESTION PERIOD

[Translation]

NATIONAL DEFENCE

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, Canadians from coast to coast had a chance to view two videotapes showing particularly offensive behaviour on the part of members of the Airborne Regiment in Petawawa.

The Minister of National Defence ordered an internal investigation. He obtained a report from the chief of defence staff which referred to the existence of a third videotape, and he subsequently ordered that the Airborne Regiment was to be disbanded.

Considering the particularly vivid scenes contained in the two first tapes, what explanation does the Minister of National Defence have for the fact that he decided to disband en entire regiment against the recommendations of his chief of defence staff, a decision with far reaching consequences, without taking the elementary precaution of personally screening the third

videotape that was mentioned in the report from General de Chastelain?

[*English*]

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, as I mentioned yesterday, in the report that was given to me a couple of weeks ago mention was made of a video taken last August of what was described as a beer welcome party where officers were present. Compared to the earlier video it certainly was innocuous.

Obviously had I had the information I received just before question period yesterday, the existence of that video and some of the untoward things on it, I would have made that public two weeks ago. Obviously things in the video were unacceptable. They were an infringement of the National Defence Act.

The report which I received two weeks ago was incomplete. I want to know why it was incomplete. I want to know why the chief of defence staff was not informed of the electric shock experiments and why the head shaving was not in the report. These all infringe the National Defence Act.

An investigation is under way to find out why we were not informed. As soon as I have that information I will make it available to my colleagues in the House.

[*Translation*]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, instead of dumping the responsibility for keeping this information from him on all levels of command in the military, would the minister not agree that he only has himself to blame, since he did not even take the trouble to screen the evidence that was available, evidence of which he had been aware since January 23 and to which he had access? Is he not the author of his own misfortune?

[*English*]

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I do not think the Canadian public expects the minister of defence to take the role of a military police officer, to go to military bases and interview people, to view all kinds of evidence and to be a one man show.

We have a large organization. We have a chain of command. The chief of defence staff was tasked with the report. That report came. Obviously it is not complete because some of the military police investigations are ongoing. I do not think anybody expects the minister to be out there doing all of those things.

• (1120)

With respect to the actual viewing of the tape, we never really got to the bottom of it until I ordered the tape to be dispatched from Petawawa following the question from the hon. member for Charlesbourg on Wednesday.

The tape was viewed yesterday by one of our senior officers. The chief of defence staff viewed it early this morning. He concurs with the interpretation I gave in this House yesterday that the behaviour was not innocuous, that it was offensive and there was infringement. Action will be taken.

[*Translation*]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, you will notice the minister admits that the opposition is better informed about what goes on in the military than the minister himself. This is disturbing.

What are we supposed to infer from the minister's explanations for his lack of information on the events in Petawawa? Does this mean that General de Chastelain failed to put all the information he had received in his report or does it mean General de Chastelain himself was not aware of all the facts about the situation in Petawawa?

[*English*]

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I said subsequently to yesterday's question period that the chief and I were not informed completely about that videotape. We are quite open about that. We want to know why the chief was not informed. I want to know why I was not informed.

I know this is a Chamber of thrust and parry where the government is to be criticized. What really concerns me here is that these events, however horrendous and however unacceptable, are casting aspersions upon the thousands of men and women who serve in the Canadian Armed Forces and are performing their duties in some of the toughest parts of the world. These people serve with distinction. I am worried that the kind of tone which is used by the hon. member opposite for partisan purposes undermines the morale of the armed forces.

[*Translation*]

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, there is no question of taking issue with the position or activities of young military personnel.

My question is to the minister of defence. Clearly, Canadians' trust has been shaken by the backlash of the events at Petawawa. Not only did the minister make hasty decisions without being fully informed, but it appears, moreover, that not even the chief of defence staff had all the information.

Now that it has been established that a lot of information had been concealed from the chief of defence staff and from the minister of defence, himself, can the minister assure Canadians that he retains full control over the armed forces?

[*English*]

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I am somewhat amused by the question. Obviously if I had had the full description of that tape when I gave the press conference announcing the decision of the airborne, I would have made that public. The existence of the tape with the unacceptable acts as it has been embellished by the viewing by officials yesterday actually confirms the government's decision to disband the regiment.

[*Translation*]

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, clearly the minister is not aware of all that happens in his department.

Since we now know, based on the events at Petawawa, that all levels of the Canadian military can keep information from this House, does the minister not realize that it is absolutely vital in order to rebuild Canadians' trust for him to order a public inquiry, not only on the events at Petawawa, but on the entire system that allows the army to elude parliamentary control?

[*English*]

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the hon. member's question is somewhat rhetorical because we do have an investigation. We have military police investigations. Now the military police are investigating the tape on which we have been speaking this morning.

• (1125)

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, on January 23 the Minister of National Defence disbanded the airborne regiment even though he had not seen the videotape of the hazing incident. Apparently his department had not even been in possession of a copy.

Several weeks ago DND obtained what is now reported as a third hazing video. The minister says he was not informed. On Wednesday he claimed he had no knowledge. Yesterday he misinformed the House by calling the video innocuous.

After a year and a half, my question for the Minister of National Defence is, why is it that the minister and the House are continually informed of these incidents through the media? Why does the minister not know what is going on in his own department?

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I am not going to proceed with an answer until the hon. member obeys the rules of this House and withdraws that allegation.

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, I will ask the question again because it demands an answer.

Why is it that the minister does not inform this House of what is going on in his department? Why do we have to learn about this through the media? Why does the minister have to learn of these activities through the media?

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I think people know that yesterday I was somewhat agitated having been informed of the extra charges in this video just before question period. In fact as soon as I received the information I informed my staff. I sent a message to the chief of the defence staff saying that I would report this to the House. That was within a few minutes of question period starting.

If hon. members want to proceed with detailed questions as we have had earlier I will try to give the answers. However, if they want to make silly procedural points then there really is no use continuing the discussions.

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, I think Canadians would agree there is nothing silly about these incidents.

On November 16 and 17 I raised questions in the House concerning the allegations of Major Barry Armstrong about events in Somalia, irregularities in the investigation of those incidents and reports that have occurred in *Esprit de Corps* and other publications about alleged cover–ups.

What steps has the minister taken in the interim to personally inform himself about the allegations of Major Armstrong or others or to better inform himself about what happened in these particular events?

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, as I have said before, all the matters dealing with the deployment of the airborne to Somalia in 1992–93 will be the subject of an inquiry. Therefore it is inappropriate for me to comment any further.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, my question is for the Minister of Finance.

According to the report on income security in Quebec, the number of households that had to apply for social assistance for the first time increased by three per cent last October, among which a surprising number of young people under 25 years of age.

In all regions, workers who had not yet heard about the unemployment insurance cuts are learning about them the hard way. All the while, surpluses, which will be used to reduce the national debt, are continuing to accumulate in the unemployment insurance fund.

Does the Minister of Finance not realize that his last series of budget cuts have had very dire consequences for the young people who now have to rely on social assistance?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the situation in which unemployed young people find themselves is certainly of great concern to us, on this side of the House, like it is for the hon. member.

Having said this, I believe that the Minister of Human Resources Development's new initiative to help these young people move away from passive assistance to a more active one is something that even the hon. member will support. To conclude, I must say that the unemployment insurance fund is still in a deficit position and that we will have to find a way to eliminate that deficit.

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, young people who participate in job training programs should not be refused unemployment insurance benefits. That is the position taken in Bill C–17 and in the reform proposal; it is the position that was taken in the Liberal majority report.

• (1130)

Does the Minister of Finance not realize that by cutting unemployment insurance benefits he has increased the fund's surplus at the expense of young people, making them pay an exaggerated amount of the deficit? In such conditions, will the minister commit to sparing young people, at least in the upcoming budget?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development— Quebec, Lib.): Mr. Speaker, we will do everything possible in the next budget to really create an economic framework within which all Canadians, especially young people, will be able to find work.

Some hon. members: Hear, hear. Well said.

Mr. Martin (LaSalle—Émard): Mr. Speaker, 0I should also mention that the figures for this year show that the government is making progress on this front. For example, this year, in the month of January alone, just in Quebec, we created 16,000 new jobs, and that will help young people.

* * *

[*English*]

NATIONAL DEFENCE

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, the underpinnings of morale in the Canadian forces have been under attack for a long period now. I was therefore dismayed to read in yesterday's *Globe and Mail* that when the second battalion of the Royal 22nd Regiment goes to Croatia in April it will be without a Canadian surgical team, instead having to depend on a Czech facility an hour's drive away.

The most fundamental support Canada has always given its soldiers is Canadian medical treatment. Our soldiers are willing to risk their lives. They will make do with equipment shortages, but their morale depends heavily on the availability of adequate medical support.

Will the Minister of National Defence take action to ensure that a surgical team is maintained with our troops in Croatia?

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the army command in the former Yugoslavia recommended to the chief of defence staff that it was unnecessary for the Canadian team to continue in that particular theatre of conflict because they had full confidence in the facilities supplied by the Czech armed forces.

It is not unnatural in multi–operational theatres of war that one shares expertise and functions. Certainly the best advice is that the facilities available to Canadian forces in Bosnia and Croatia are comparable to those that would be offered by Canadian forces personnel.

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, they are comparable but they are not Canadian. When we have golf trips, inadequate housing, expenditures on furniture and all sorts of mismanagement like that, let us not add to it.

Will the minister agree that mismanagement of medical support for our soldiers in the field must not take place?

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I agree with the hon. member's question. There is no mismanagement of medical facilities with respect to our soldiers in Bosnia and Croatia.

If he has evidence that in some way the facilities we had operational up until now have been mismanaged then I ask him to please give us the evidence.

* * *

[*Translation*]

GUN CONTROL

Mr. François Langlois (Bellechasse, BQ): Mr Speaker, my question is for the Minister of Justice. For nearly a year now, the Minister of Justice has told us every week that a bill on gun control will soon be introduced. Last December, the Minister of Justice confirmed that the bill would be tabled at the beginning of the session. Last Friday, the minister stated it would be introduced this week, but we are still waiting.

Since his bill is ready and he committed nearly a year ago to introduce it, what is the Minister of Justice waiting for?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr Speaker, I intend to introduce the bill next week.

• (1135)

Mr. François Langlois (Bellechasse, BQ): I hope we will be sitting next week.

Does the minister not recognize that his inexplicable delays in introducing the bill serve to maintain public uncertainty and give rise to alarmist speculation?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): No, Mr. Speaker, I do not.

* * *

JUSTICE

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, the provinces of Manitoba and Ontario have plans to advise citizens when a high risk sex offender is being released into their communities. These plans are necessary because the federal government has been unwilling to introduce any legislation that deals with high risk offenders.

My question is for the Minister of Justice. Why is it that the minister is not showing leadership but rather is abdicating his responsibility to the provinces?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, first, the steps announced yesterday by the province of Manitoba and by the province of Ontario do not represent, as the hon. member has suggested, an abdication of federal responsibility. Rather they represent on the part of those two provinces an exercise of jurisdiction that is specifically provided by federal legislation, section 25 of the Corrections and Conditional Release Act, which enables provinces to take those very steps. I decline the suggestion of the hon. member that this in some way represents federal inaction. It is quite the opposite.

Second, the single highest priority for the government in the area of criminal justice is the safety of Canadians. That priority is reflected in the action taken by the government on a variety of fronts.

Two weeks ago I presided at a meeting of ministers of justice from across Canada in Victoria. We decided on specific action to improve the Criminal Code, to introduce new sections and to work with ministers of health to ensure public safety.

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, I am glad the minister mentioned the conference in Victoria. At that conference last month the Minister of Justice stated that he was opposed to post–sentence detention orders because they may infringe upon the rights of convicted sex offenders. I fail to see where this shows that the federal government is more concerned about the protection of society, as he has just stated.

Could the minister explain to the House why he believes the rights of convicted sex offenders like Fernand Auger are more important than the lives and the rights of victims like Melanie Carpenter and Pamela Cameron?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, both the purported quotation offered by the hon. member and the substance of her question represent a marked departure from her usual standard of fairness. I must say that is not what I said at all.

In Victoria when we discussed this issue first we identified changes that could be made to the Criminal Code, upon which we had agreement in principle, changes we will introduce to enhance the existing provisions in relation to dangerous offenders; second, adding new provisions to the code for long term offenders so that we have long term supervision for people who are at high risk to reoffend; and third, we had ministers of health from across Canada present to work with us on those who are mentally ill and who present a risk to reoffend.

We are taking action, very specific action. We understand that going beyond that and into the criminal sphere represents constitutional challenges, but we are committed to looking at those strategies to determine whether there are other steps we could take to enhance the safety of Canadians.

* * *

[*Translation*]

HUMAN RIGHTS

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, I have a third question for the Minister of Justice.

The Prime Minister and the Minister of Justice made a solemn commitment to prohibit discrimination on the basis of sexual orientation. They promised to table a bill by June, then September, then December, when the Minister of Justice told us that we had to wait for the strategic moment.

My question to the strategically–minded Minister of Justice is this: Can the minister tell us if he has completed his strategic calculations and is now in a position to let us know when the bill will be tabled?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, apart from the way I have distinguished myself for my ability to predict the time at which steps will be taken, I want to emphasize that in this connection the important thing is the commitment of the government to that legislation.

• (1140)

I emphasize for the hon. member, in response to his question, that the government is committed to the amendment to which he refers and that legislation will be introduced.

[*Translation*]

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, Quebecers and Canadians have been hearing this answer for over a year. Even businesses like Bell Canada, a federal business, has announced today the adoption of an non–discrimination policy.

Why does the Minister of Justice not simply admit that this issue is blocked in cabinet because the government is unable to convince many Liberal caucus members to stand by its election promise?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, that is not the case. The government's commitment to the amendment is exactly the same. It is unwavering and the legislation will indeed be introduced.

* * *

[*Translation*]

FEDERAL PUBLIC SERVICE

Mr. Mark Assad (Gatineau—La Lièvre, Lib.): Mr. Speaker, my question is for the President of the Treasury Board.

In view of the alarming predictions made by the Public Service Commission regarding the numbers of jobs that could be cut in the public sector and, consequently, in the private sector, can the minister tell us what kind of measures he intends to take in order to minimize the impact the re–organization of the public service will have on the national capital area?

[*English*]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, the assumptions made in the study released by the union are very questionable. The numbers it projects are very much an extreme case. I would caution anyone with respect to looking at that study.

May I say, as I said in the House the other day, that we want to treat people who will be departing because of downsizing in a fair and reasonable fashion. There will be various parts to the departure packages that will help people to re–establish themselves in the private sector.

I met with the mayor of Ottawa this morning to discuss ways in which we could work with the municipal governments to ensure that we minimize the impact on the region. I do note, I might add, that the region within the last year has increased jobs by some 16,000 in number, despite the decline in the federal public service. There is a lot of opportunity now with four out of five jobs in the national capital region being in the private sector to help people move into new opportunities. Certainly we are committed to doing everything we can to help them do that.

* * *

JUSTICE

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, I have a question for the Solicitor General.

Once again members of my party have brought to the attention of the House and the minister cases of dangerous sexual offenders who have been released into society only to reoffend, or in the tragic case of Melanie Carpenter to claim the life of an innocent victim.

One such individual, Mr. Harold Irving Banks, was recently transferred to a halfway house in Victoria right next to one of his victims, then transferred to a halfway house in Abbotsford three blocks away from his terrified daughter.

Is it the policy of the government to have dangerous sexual offenders released into communities where their victims reside? Will he take immediate action to have Mr. Banks moved far away from his victims?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, it is not the policy to operate in that way as far as I am aware. I will look into this case immediately and I thank my hon. friend for bringing it to my attention.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, I thank the Solicitor General for looking into the matter.

I have a question for the Minister of Justice. I am glad that he reiterated his commitment to having the safety of Canadian society as his single highest priority.

I have a very simple question. Will the minister immediately bring forth legislation to incarcerate violent sexual offenders beyond their original sentence if they are deemed to pose a risk to society just before their release?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, part XXIV of the Criminal Code already provides that a person who represents a high risk and can be called a dangerous offender within the meaning of that term in the code can be kept in prison indefinitely.

It is up to the provinces to lay those charges in appropriate cases and to see that any such persons are kept in jail indefinitely. That is already on the books.

• (1145)

In addition, we discussed in Victoria and will be introducing changes to the code to add a category of long term offenders who may not be dangerous as in the meaning of that section, but who pose a threat to reoffend which endangers the public. The court will be enabled in such a case to impose as long as 10 years'

supervision after their release from jail for the safety of the public.

* * *

[*Translation*]

INDIAN AFFAIRS

Mr. Claude Bachand (Saint–Jean, BQ): Mr. Speaker, my question is for the Minister of Indian Affairs.

The Royal Commission on Aboriginal People finally produced its report on suicide among young natives. The situation is disastrous. Young natives commit suicide at a rate eight times higher than young non–natives. The Pikangikum and Davis Inlet reserves are tragic examples of this.

Does the minister recognize the seriousness of the problem and what drastic measures does he intend to take to deal with this problem?

[*English*]

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, the hon. member has brought to the attention of the House a very tragic situation that is of great concern to the Ministry of Health and to the Minister of Indian Affairs and Northern Development.

The situation of mental health and suicides as is pointed out in the report has been well–known and is an issue of major concern to our department. Last fall we quadrupled our funding for community mental health efforts among aboriginal communities.

The issues are complex. They not only deal with health, they deal with social problems, housing and economic development. We are going to respond to the report as soon as we meet with stakeholders that understand the issues so we can take the right steps to prevent it.

[*Translation*]

Mr. Claude Bachand (Saint–Jean, BQ): Mr. Speaker, I heard the same speech in the House a year ago.

How can we trust the minister when, a year ago, he had pledged to take positive steps to improve the dreadful conditions of natives in Davis Inlet, and he did not deliver on his promises?

[*English*]

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, as is shown in the report, the issue is extraordinarily complex. It crosses a lot of boundaries. There are spiritual issues, housing issues, economic development issues and social issues.

Issues that have gone on for a long time cannot be dealt with in one day. We want to do the right things. That is why we are studying the issue, working with the communities to make the changes necessary.

* * *

THE ENVIRONMENT

Mr. John Duncan (North Island—Powell River, Ref.): Mr. Speaker, there are serious reports from the Stony Reserve in Alberta of logging activity which is illegal and harming the environment. The reports also state that a few are getting wealthy, tax free, as a result.

Will the Minister of Indian Affairs and Northern Development ensure that violations of the Indian timber regulations in the Indian Act are quickly dealt with and the legislation and departmental policy strengthened to prevent a repeat occurrence?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I thank the hon. member for the question. We are aware, as is everyone in that area, of what is going on at the reserve. Logs are being taken illegally, without permits either from the First Nation band or from DIAND.

We have asked the RCMP—we cannot direct them—to go in and bring the situation under control. I understand it has stopped. We have asked them to seize the logs and any inventory that is being used illegally.

The negotiations are ongoing with the three Stony chiefs to reach agreement on a viable plan for management of the First Nations' inventory.

Mr. John Duncan (North Island—Powell River, Ref.): Mr. Speaker, this has been an ongoing problem. It only ceased this week. This is happening because DIAND has abdicated its responsibility with its policy of devolving authority to band control.

In this case the Indian timber regulations are the legislation that control the forestry activity. This is giving loggers, taxpayers, the band and the department a black eye.

Will the minister ensure this legislation is enforced?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, the hon. member's question is utter nonsense, showing how ill–informed he is.

It has nothing to do with devolution or dismantling. It has to do with people who are operating illegally. The chiefs do not want it and we do not want it. We will work together constructively in the spirit of dignity and respect to resolve the issue.

• (1150)

INCOME TAX

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, my question is for the Minister of Finance.

As we are all aware in the 1980s under Tory rule, the top personal income tax bracket was lowered from 34 to 29 per cent and the corporate tax rate fell from 36 to 28 per cent. While recognizing the confidentiality of the budget, would the minister assure the House that he is fully addressing the lack of fairness inherent in the taxation system we inherited from the Tory government.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec, Lib.): Mr. Speaker, I want to congratulate the member on his question and on the degree to which he is well informed.

The previous government did lower the rates at the top end. It indicated a preference which we began to clear up in the last budget.

The member will remember that in the last budget we eliminated purchase butterflies. We eliminated the preferential tax rate for larger corporations. We eliminated the $100,000 capital gains tax exemption and we brought in new and tougher rules for foreign affiliates.

I can assure the hon. member that the same spirit of fairness that was shown in the last budget will be shown in this budget. I would like to congratulate the member for his desire to see fairness and equity in the tax system, unlike certain of those opposite.

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[*Translation*]

DEPARTMENT OF JUSTICE

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, these last few days we learned that the Minister of Justice is appointing Liberal friends as legal agents—in the riding of Brome—Missisquoi for example. However, patronage does not seem to stop there.

According to his own officials, during the first seven months of the Liberal government, the department signed 129 service contracts with a total value of $5 million. Could the Minister of Justice explain to us why Quebec individuals and companies obtained only 6 per cent of the total value of these contracts?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I will deal with the question concerning legal agents first. When the government took office the process by which legal agents were appointed by the Department of Justice was criticized by the Auditor General.

In the months since the government took office, we have introduced important changes to that process to ensure its fairness, its efficiency and to ensure that we are getting high quality services throughout the country. Those changes are very significant.

In terms of the numbers to which the hon. member refers I am not familiar with his reference. If he provides me with details, I will be happy to look into it and to respond to his question.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, I would like to remind the minister that the total value of the contracts given to Ontario is eleven times that of contracts given to Quebec.

Does the minister really believe that Quebec individuals and companies have equal opportunity when it comes to offering their services to the Department of Justice?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, as I said I am not entirely sure what the hon. member's reference is. I will respond when I have the particulars of his question.

If the hon. member is referring to the value of contracts for legal services, they are affected by such things as the size of regional offices. We have a large regional office in Montreal and it may well be, although I do not know, that services that are performed on contract elsewhere in the country are performed through in house lawyers in justice in Montreal.

When I find out what the member's reference is, I will respond in detail to his question.

* * *

THE BUDGET

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, the latest budget rumour among many is that Canadians will be forced to invest all of their RRSP savings in Canada.

If the government wants Canadians to invest money in this country, it has two choices. It can force them through regulations and legislation or it can encourage them by getting its fiscal house in order, which this government should do. That would create some confidence.

• (1155)

My question is for the Minister of Finance. Is the minister prepared to force Canadians to invest in Canada or is he going to give them the opportunity to invest freely, as a Canadian should?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development —Quebec, Lib.): Mr. Speaker, I have said many times that I am not in a position to reveal details of the budget. But I would like to remind the member opposite that we have made it very clear that we are going to get this nation's finances in order.

I would also remind the member opposite that this nation's great resources are not only deep in the ground but they lie in the skills and the talent of those who walk on it. The government will always encourage Canadians to invest in their own country.

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, I can certainly appreciate what the minister has said, but what we want in this country is the opportunity to have the freedom to invest without the intervention of government. Less government is what we want.

The minister wants to take all of the credit for the growth of the economy and the improvements in this country, but I think the provinces have something to do with it. For example, Alberta has the lowest taxes at the current time in the country. We have unemployment at 7.2 per cent. We have a surplus budget and we have investor confidence which is something that is necessary for all of Canada.

In his considerations and responsibilities as the Minister of Finance in creating an investment climate, is he considering the Alberta model as one that should be followed?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development —Quebec, Lib.): Mr. Speaker, I have some difficulty understanding where the member is coming from. His initial question appeared to be a representation on behalf of foreign bankers. His second question appears to be a representation on behalf of the Conservative government of Alberta. I am delighted to see, however, that the twain have now come together.

Certainly I congratulate any province that has succeeded in getting its fiscal house in order. I would extend to the governments of the provinces of Saskatchewan, Alberta, Prince Edward Island and New Brunswick, in fact mostly the Liberal provinces, our congratulations.

However, I would point out one thing. There is criticism of the way in which the Government of Alberta has gone at that in terms of its health system and its education system. One must wonder whether it makes sense to get short term financial results at the expense of the long term human capacity of the country.

MPS' PENSIONS

Hon. Audrey McLaughlin (Yukon, NDP): Mr. Speaker, my question is for the President of the Treasury Board.

The government is proposing massive cuts to public services, to social services and to health services. These cuts seem to have gone through the Liberal caucus relatively quickly. However, when it comes to something such as MPs' pensions the government seems to be unable to get its act together as indeed the previous government could not get its act together.

I want to ask the Minister of the Treasury Board why inaction on this issue has been allowed to take on a symbolism which I think is both unrealistic and far beyond the reality. To put an end to this will the minister bring in legislation on MPs' pensions before the budget?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, as I understand it, the hon. member has also had lively discussions on pension reform matters in the past. Certainly we are going through a discussion of the matter. As the Prime Minister indicated yesterday, there will be an announcement either during the budget or before the budget.

We will live up to our red book commitments with respect to pension reforms.

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GUN CONTROL

Hon. Warren Allmand (Notre–Dame–de–Grâce, Lib.): Mr. Speaker, my question is for the Minister of Justice.

Two new hyperdestructive handgun bullets were recently developed in the United States. One is designed to do maximum damage to human tissue while the second can penetrate body armour. This rhino ammunition is designed to break into thousands of razor–like fragments when it hits flesh and death is almost instantaneous.

• (1200)

I want to ask the minister whether the import and sale of these bullets will be prohibited in Canada and whether the sale of all ammunition will be subject to control under his new legislation to be tabled next week?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, Canadians were horrified to read of the production and potential sale of these bullets in the United States.

That news story has seemed to solidify the vast majority opinion in this country that steps must be taken to ensure that in relation to firearms we do not go the way of the United States.

Ammunition of that description has already been prohibited. Order No. 10 of 1992 makes the import or sale of that ammunition unlawful.

The new registration system which the government proposes will permit the tracking of any such prohibited items and ensure that they do not come into Canada.

* * *

LABOUR

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, my question is to the Deputy Prime Minister.

The right of management to employ replacement workers balances the right of employees to withdraw their labour. The effect of tipping this balance through legislation in favour of employees will destroy the balance between management and labour.

Is it the intention of this government to drive business and investment out of Canada to jurisdictions without such legislation?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, absolutely not.

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[*Translation*]

PUBLIC SERVICE

Mr. René Laurin (Joliette, BQ): Mr. Speaker, my question is directed to the Minister responsible for Public Service Renewal. A week ago during a public debate, the minister admitted that between 10,000 and 12,000 federal public servants would lose their jobs in the Ottawa–Hull region, including 4,000 in the Outaouais, which represents more than one–third of the total cuts.

Could the minister explain why, as he was reported to have said in *Le Droit*, more than 33 per cent of these cuts will affect the Outaouais, which provides only 25 per cent of the federal public servants in the Ottawa–Hull region?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, all the issues concerning the budget's impact on the public service have been dealt with from the outset by the President of the Treasury Board. I believe we have said many times that we will treat our public servants fairly.

That is exactly what transpires from the proposals released last week by the President of the Treasury Board. Both sides of the river will be treated fairly, there is no question about that.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Ms. Marlene Catterall (Ottawa West, Lib.): Mr. Speaker, I have the honour to present the 59th report of the Standing Committee on Procedures and House Affairs regarding the membership of the joint committee on the Library of Parliament.

[*Translation*]

With leave of the House, I intend to move for concurrence in the fifty–ninth report later this day.

[*English*]

ABORIGINAL AFFAIRS AND NORTHERN DEVELOPMENT

Mr. Gordon Kirkby (Prince Albert—Churchill River, Lib.): Mr. Speaker, I have the honour to present in both official languages the ninth report of the Standing Committee on Aboriginal Affairs and Northern Development regarding Bill C–60, an act respecting the agreement between Her Majesty in right of Canada and the Pictou Landing Indian Band, without amendments.

[*Translation*]

PUBLIC ACCOUNTS

Mr. Richard Bélisle (La Prairie, BQ): Mr. Speaker, I have the honour to present the seventh report of the Standing Committee on Public Accounts.

This report deals with tax revenue and the resource companies allowance, following a dispute between the Department of National Revenue and Gulf with respect to the interpretation of certain tax deductions for the 1974 and 1975 taxation years. The Department of National Revenue issued a reassessment, which Gulf appealed. The court ruled in favour of Gulf. The government appealed the decision and lost in 1992. The government then sought leave to appeal, which the Supreme Court of Canada refused, and has continued to refuse since 1992.

• (1205)

Following the court decisions, 40 other companies in the resource sector sought a refund based on their tax returns since 1974. Negotiations are continuing between the government and these companies. The final amount of the refund, including accumulated interest, could reach two billion dollars. In order to offset this substantial risk of erosion of the tax base, the Standing Committee on Public Accounts is recommending a series of measures designed to avoid a repetition of the Gulf affair and to make possible a judicious assessment and management of the risks to the federal government.

Pursuant to Standing Order 109, the committee requests that the government table a comprehensive response to this report.

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[*English*]

CRIMINAL CODE

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.) moved for leave to introduce Bill C–301, an act to amend the Criminal Code (violent crimes).

He said: Mr. Speaker, it is a privilege to put forth this private member's bill to serve notice to those individuals in society who choose to continually victimize society; for those who wish to continue to commit violent offences on those who are innocent civilians.

This is a three strikes and you are out bill, which gives notice to those individuals who wish to do these things that if they commit three violent offences they are in for 25 years.

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

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COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Ms. Marlene Catterall (Ottawa West, Lib.): Mr. Speaker, I move that the 59th report of the Standing Committee on Procedure and House Affairs presented to the House earlier this day be concurred in.

(Motion agreed to.)

* * *

PETITIONS

HUMAN RIGHTS

Hon. Warren Allmand (Notre–Dame–de–Grâce, Lib.): Mr. Speaker, I have a petition signed by 33 residents from London, Ontario, whom I met recently. The petitioners point out that acts of discrimination against lesbian, gay and bisexual Canadians are an every day reality in all regions of Canada. This kind of discrimination is unacceptable in a country known for its commitment to human rights, equality and dignity for all citizens. Therefore the petitioners call upon Parliament to act quickly to amend the Canadian Human Rights Act to prohibit discrimination on the basis of sexual orientation.

Mr. Rex Crawford (Kent, Lib.): Mr. Speaker, I am honoured to rise in the House pursuant to Standing Order 36 to present a petition with several hundred names on it.

The undersigned citizens of Canada draw the attention of the House to the following: that because the inclusion of sexual orientation in the Canadian Human Rights Act will provide certain groups with special status, rights and privileges; that because these special rights and privileges would be granted solely on the basis of sexual behaviour; that because inclusion will infringe on the historic rights of Canadians such as freedom of religion, conscience, expression and association; therefore the petitioners call upon Parliament to oppose any amendments to the Canadian Human Rights Act or the Canadian Charter of Rights and Freedoms which provide for the inclusion of the phrase sexual orientation.

I support the petition.

• (1210)

[*Translation*]

VOICE MAIL

Mr. Jean–Guy Chrétien (Frontenac, BQ): Mr. Speaker, it is my pleasure to present a petition, pursuant to Standing Order 36, from the Plessisville seniors club, one of the largest seniors clubs in my riding.

The vast majority of members of this club pray that Parliament will defer its intention to install voice mail systems to reply to inquiries from senior citizens. I myself did a test run this week, and it is very difficult for seniors.

I support totally the petitioners from the Plessisville seniors club.

[*English*]

ROBERT LATIMER

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, pursuant to Standing Order 36, I have two petitions to table. They are both regarding the Latimer case in Saskatchewan.

The petitioners want to draw to the attention of the House that Mr. Latimer was sentenced to life in prison for second degree murder with no chance for parole for 10 years. These petitioners request that Parliament grant Robert Latimer of Wilkie, Saskatchewan a pardon conditionally or unconditionally for his conviction of second degree murder in the death of Tracy Latimer, his daughter.

There are 1,672 signatures on these two petitions. The case is under appeal and I will reserve my comment until I find out what the results of that appeal are.

SERIAL KILLER BOARD GAMES

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I have a number of petitions which I would like to table this morning.

The first petition is against the serial killer board game. It is signed by 684 people, making a grand total of petitions in that regard of 119,440 which I have tabled thus far.

ASSISTED SUICIDE

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, the second petition is with regard to the issue of assisted suicide, asking Parliament not to consider assisted suicide and euthanasia. It is signed by 102 people. This brings the total for this kind of petition to 22,963.

PARLIAMENTARY PRAYERS

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I have another petition signed by a number of Canadians who are objecting to this House's having changed the prayer in Parliament.

SAME SEX RELATIONSHIPS

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I have another petition in which people object to homosexual relationships.

BILINGUALISM

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, another petition wants a referendum on bilingualism.

VIOLENT OFFENDERS

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): The next petition, Mr. Speaker, has to do with violent offenders.

I wish to table all these petitions this morning.

SAME SEX RELATIONSHIPS

Mr. Gar Knutson (Elgin—Norfolk, Lib.): Mr. Speaker, I would like to present a petition.

The petitioners are asking Parliament to act quickly to amend the Canadian Human Rights Act to prohibit discrimination on the basis of sexual orientation and to adopt all necessary measures to recognize the full equality of same sex relationships and families in federal law.

I also have four petitions in which signatories are opposing any amendments to the Canadian Human Rights Act and the Canadian Charter of Rights and Freedoms to provide for the inclusion of the phrase sexual orientation.

BILINGUALISM

Mr. Gar Knutson (Elgin—Norfolk, Lib.): Mr. Speaker, the last petition requests a referendum on bilingualism.

VOLUNTEER FIREMEN

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, I have two petitions I would like to present this morning.

The first one is in recognition of volunteer firemen. These volunteer firemen protect our communities without any financial compensation. There is a deductible, a tax exemption of $500 that is recognized.

My petitioners are humbly praying that this tax exemption be raised from $500 to $1,000 because no change has been made in this tax exemption since 1980.

I would like to support this request from my petitioners for Parliament to pass legislation to recognize the contribution of the firefighters.

YOUNG OFFENDERS ACT

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): The second petition, Mr. Speaker, is from petitioners who are registering their concern about the Young Offenders Act and how it is unable to prevent crimes by young people. They feel changes need to be made.

My petitioners call upon Parliament to urge the government to review the Young Offenders Act in an open and accountable process which addresses the following principles: deterrence of the offender, the accountability of the offender, and the rights of the victims.

It is my pleasure to present this petition to Parliament.

● (1215)

GRANDPARENTS RIGHTS

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, pursuant to Standing Order 36 it is my honour this morning to stand and present petitions. These names add to the thousands already submitted over the last five and six years.

The request is to amend the Divorce Act, to give grandparents a standing in the courts, to ask for access to the grandchildren. It is important we recognize that our grandchildren in this country are the innocent victims in all of this.

[*Translation*]

VOICE MAIL

Mr. André Caron (Jonquière, BQ): Mr. Speaker, I have the pleasure to present a petition signed by 732 senior citizens of my riding stating that they, naturally, feel powerless in the face of the technology of voice mail systems, that they have the right to suitable service, especially in regard to their income security applications, and who pray that Parliament will please ask the government to give up the plan to implement voice mail systems for seniors.

[*English*]

ARMED FORCES PENSIONS

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, it is my pleasure to present two petitions today.

The first one deals with the basic service pensions for men and women who served in the armed forces during the war and calls on the government to introduce such a pension.

HUMAN RIGHTS

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, the second petition has to do with the proposed amendments to the human rights act. My petitioners are opposed to that.

ASSISTED SUICIDE

Mrs. Marlene Cowling (Dauphin—Swan River, Lib.): Mr. Speaker, I have three petitions to present today.

The first petition with 29 signatures requests that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be vigorously enforced and that no changes are made in the law which would allow the aiding and abetting of suicide or active or passive euthanasia.

RIGHTS OF THE UNBORN

Mrs. Marlene Cowling (Dauphin—Swan River, Lib.): Mr. Speaker, the second petition I present to the House is on the subject of abortion with 28 signatures.

The petitioners pray that Parliament act immediately by amending the Criminal Code to extend to the unborn the same protection enjoyed by born human beings in Canada.

HUMAN RIGHTS

Mrs. Marlene Cowling (Dauphin—Swan River, Lib.): Mr. Speaker, the third petition with 25 signatures requests that Parliament not amend the Canadian Human Rights Act or the charter of rights and freedoms in any way that would indicate societal approval of same sex relationships or homosexuality including amending the Canadian Human Rights Act to include the undefined phrase "sexual orientation" in the prohibited grounds of discrimination.

Mr. Lyle Vanclief (Prince Edward—Hastings, Lib.): Mr. Speaker, I have a number of petitions today.

The first is from a number of people in my riding calling upon the government not to amend the human rights act or the charter of rights and freedoms that would indicate in any way societal approval of same sex relations or homosexuality.

GUN CONTROL

Mr. Lyle Vanclief (Prince Edward—Hastings, Lib.): Mr. Speaker, another petition requests Parliament to refrain from implementing more restrictive controls of firearms that affect only law-abiding citizens. They request that more effective prosecution and tougher sentencing of criminals be carried out.

YOUNG OFFENDERS

Mr. Lyle Vanclief (Prince Edward—Hastings, Lib.): Mr. Speaker, another petition asks the government to revise our laws empowering our courts to be stronger on prosecuting young offenders.

BOVINE GROWTH HORMONES

Mr. Lyle Vanclief (Prince Edward—Hastings, Lib.): Mr. Speaker, another petition calls upon the government to disallow the use of recombinant bovine growth hormones unless proven completely free of harm to animals and consumers.

ASSISTED SUICIDE

Mr. Lyle Vanclief (Prince Edward—Hastings, Lib.): Mr. Speaker, another petition calls upon the government to ensure that the present provisions of the Criminal Code prohibiting assisted suicide and the aiding or abetting of suicide or active or passive euthanasia does not come into play.

GUN CONTROL

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, I have two petitions today which it is my honour to table under Standing Order 36.

The first one contains 122 signatures mainly from the communities of Aneroid and Vanguard in my riding.

The petitioners state that whereas there is no evidence that the incidence of criminal or suicidal misuse of firearms is impeded by restrictive legislation, they call upon Parliament to desist from passing additional restrictive legislation with respect to firearms or ammunition. They also ask for the repeal of those sections of the Criminal Code of Canada pertaining to the firearms acquisition certificates. I endorse their petition.

• (1220)

HUMAN RIGHTS

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, the second petition I have is with respect to the amendment of the human rights act and the charter of rights and freedoms to in any way indicate societal approval of same sex relationships or homosexuality. This petition is signed by 61 people primarily from the city of Swift Current.

GOVERNMENT SPENDING

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, I have three petitions to present.

The first one is signed by Charles Kingston and 30 others from North Vancouver praying and requesting that Parliament reduce government spending instead of increasing taxes and implement a taxpayer protection act to limit federal spending.

HUMAN RIGHTS

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, the second petition is signed by 46 petitioners requesting that Parliament of Canada amend the human rights act to include

sexual orientation as a basis for protection against discrimination and to include recognition of relationships based on financial and emotional interdependence.

The third petition signed by 40 people in North Vancouver humbly prays and requests Parliament to enact legislation to amend the Canadian Human Rights Act to prohibit discrimination against persons based on their sexual orientation. It further calls upon the Liberal government to pass Bill C–41 which gives tougher sentences to those who commit crimes of hate against others on the basis of sexual orientation.

Mr. Janko Peric (Cambridge, Lib.): Mr. Speaker, I have the honour to table a petition containing approximately 100 signatures forwarded to me by constituents in my riding of Cambridge.

The petitioners pray and request that the government not amend the human rights code, the Canadian Human Rights Act or the charter of rights and freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality.

I am honoured to present my name with this list as well.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I ask that all questions be allowed to stand.

[*English*]

Mr. Hermanson: Mr. Speaker, we will allow all questions to stand. However, I would point out that a number of the written questions have been on the Order Paper for a very long time. This indicates either an inability or an unwillingness to answer. I would implore the government to respond as quickly as possible.

Mr. Gagliano: Mr. Speaker, I will take the representation from the House leader of the Reform Party.

The Deputy Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

YOUNG OFFENDERS ACT

The House resumed consideration of Bill C–37, an act to amend the Young Offenders Act and the Criminal Code, as reported (with amendment) from the committee; and of Motions Nos. 5, 6 and 7.

Hon. Warren Allmand (Notre–Dame–de–Grâce, Lib.): Mr. Speaker, before question period I was replying to members of the Reform Party who continue to propose simplistic and unworkable solutions to the problem of crime, especially youth crime. When they say they want something meaningful and effective what they really mean and what they really want are longer, harder sentences to prison without additional resources for correction and rehabilitation.

That model does not work. It is now being tried in several of the United States and violent crime in those states is among the highest in the western world. Those states with "three strikes and you are out" laws, those states with capital punishment have among the highest murder and violent crime rates in the western world. Look at Louisiana, Texas, Florida and Mississippi. Those states are executing people in the morning while in the afternoon murders take place during the theft of an automobile.

The approach being proposed by the Reform Party does not work. To begin with there has not been a general increase in youth violent crime in recent years. To give an example let us look at homicide rates among young offenders. The highest number of homicides for youths between the ages of 12 and 17 was 68 homicides in 1975 before the Young Offenders Act, whereas the low rate was 35 homicides for youth in 1987 after the Young Offenders Act.

• (1225)

Second, the Young Offenders Act is not, as alleged by the Reform Party, the cause of youth crime. While the Young Offenders Act might be a federal law it is fully and totally administered by the provinces. Some provinces do much better than others.

For example, my province of Quebec dedicates a lot of resources to the Young Offenders Act and has a much better record and much greater satisfaction with the act than other provinces. In some provinces youth crime and youth recidivism is much lower than in others, with the same act right across the country.

If there is violent youth crime in Canada the cause is not the Young Offenders Act. If we want to do something meaningful about youth crime, then we must make a greater effort in prevention and rehabilitation. Yes, certain amendments are required to the Young Offenders Act and we are doing that in Bill C–37, but they alone will not solve the problem of youth crime.

Certain Reform members just said that they met with youth during the Christmas recess and that those youths want significant amendments to the Young Offenders Act. Well, during the recess I also had a meeting with youth in my constituency at Concordia University in Montreal.

Those youth understood that the real problem is principally one of prevention and correction. They also knew that this year

the Parliament of Canada was going to make a thorough review of the Young Offenders Act, a thorough review of youth correction programs, and a thorough review of the situation of youth crime in Canada.

Let us have some honesty and seriousness with respect to this debate. To suggest to Canadians that changing a few lines in the Young Offenders Act is going to solve the problem of youth crime in this country is not correct. I would like my friends in the Reform Party to acknowledge that and be honest with the situation as it really is.

I also would like answers from the parliamentary secretary on the question I asked at the beginning of my remarks.

The Deputy Speaker: The hon. member perhaps does not know that the parliamentary secretary has already spoken on this series of motions and he is therefore not able to speak again.

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, I find it amusing that a person who had the ability to bring in crime prevention programs over 20 years ago is now talking about the need for crime prevention programs to prevent this kind of youth crime.

If that is the solution and the answer, why did this individual not work that kind of a concept into the Young Offenders Act years and years ago? Why did that person who was in the position of instituting crime prevention programs not do it 20 or 25 years ago? Is it not just a little bit late now?

I would suggest that the Reform Party does not disagree that we do need to look at crime prevention and try to keep young people from committing crimes. That does not mean when they do commit crimes that we absolve them of all responsibility and let them return to the street without any kind of recourse for what they did.

Not only did I visit schools back in my constituency, but I also visited the young offender detention centres that are run by the provinces. I cannot say I was pleased with what I saw. What I heard from people working with young offenders is not only the need for accountability and all other things, but the need for government legislation that allows them to work with a federal system in identifying and sharing information on these young people so they know who will be serious problems as adults. The system does not allow for that kind of interchange of information.

The federal government has the responsibility to implement programs and legislation that will allow communities to look after the problem of young people who are falling into criminal patterns.

• (1230)

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, when the Young Offenders Act came into force in April 1984 it replaced the Juvenile Delinquents Act of 1908. The old Juvenile Delinquents Act was informal and attempted to respond like a wise parent wherein dependent children had few rights.

In April 1985 the maximum age of 18 became uniform across Canada because of the new Young Offenders Act. In fact, many provinces formerly had 16 years as the upper age limit for young offenders.

The main issues that are significant for the average citizen are age limit, transfers to adult court for serious crimes and the privacy provisions.

The Standing Committee on Justice and Legal Affairs will be conducting a 10–year review of the entire act. The situation we are left with is "get it right next time".

The government is proceeding with Bill C–37, an act to amend the Young Offenders Act. Its main thrust is to lengthen some penalties but not to touch on areas about which the Reform Party and the majority of Canadians have been asking.

The Reform Party believes that the justice system should place the denunciation of crime and the protection of law–abiding citizens and their property ahead of other justice system objectives. The principle should apply to the Young Offenders Act and the general operation of the Criminal Code.

We believe that the criminal justice policy toward young offenders should be guided by the principles of individual responsibility and system accountability. Young offenders should be held individually responsible for the harm caused by their acts. The justice system should be held accountable for how it handles young offenders. The results that the system delivers should be measured against clearly stated objectives.

I want to provide some alternatives to the criticisms of the previous member of the Reform Party's suggestions. Here are some meaningful proposals that are not simplistic but are reasonable and considered and, most of all, are what mainstream Canada wants.

Lower the Young Offenders Act age definition of young persons to 10 to 15 years inclusive from 12 to 17 years inclusive. Any young offender who commits an indictable offence could possibly be transferred to adult court. Remove extra privacy and secrecy provisions of the Young Offenders Act and treat all YOA records, access to information and ability to publish in the same manner as for adults.

Sentencing must emphasize victim compensation, community service, skills training, education and deterrence to others. In custodial facilities, opportunities for rehabilitation must be

emphasized in a disciplined environment and medical and psychological treatment orders should not require the consent of the offender.

Above all, parents of young offenders should be held responsible for compensating victims of property crime if it can be demonstrated in court that they have not made a reasonable effort to exercise parental control.

The consensus among average Canadians is that the Young Offenders Act is too soft and that stronger, more predictable consequences are needed. Serious and repeat young offenders should be transferred to adult court. Young offenders have to be held accountable for their actions.

A recognition that crime prevention occurs best within nurturing families and early intrusive social services outside the justice system are much better than sentencing.

The public's right to know must take precedence over the rights of an offender for privacy and for general deterrence to work.

It is not a Reform plan to incarcerate all those who commit a crime, only those who commit serious crimes. We encourage community involvement with volunteers supporting alternative measures under the Young Offenders Act.

In summary, the legislative changes previously done and currently planned arise because the original Young Offenders Act was misguided concerning its age of operation. We are therefore not supporting the government's inadequate amendments to the Young Offenders Act.

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, I want to make two or three comments.

I have listened to the remarks of members opposite. All of it is well–meaning. Some of it borders on the rhetorical but I understand where they are coming from. I do not find any of this a new issue. I think we can make some headway in this Parliament.

As we know, the amendments being proposed to the Young Offenders Act and the amendments we are debating today do principally three things in response to the election commitments of the government in the last election. The government has moved to expedite the transfer of 16 and 17–year–olds to adult court when they are accused of committing the more serious crimes. We have again proposed lengthening the sentence for homicides committed by young offenders. This is the third time Parliament has done this. Last, we have taken steps to deal with the sharing of information between agencies, police, educators and so on involving young offenders.

• (1235)

Underlying all of this is the recognition that the way to reduce crime among young offenders, and I suppose throughout the rest of society, is through crime prevention techniques. Once the crime is committed the issue is done. The crime has been committed. We all recognize that. We have commenced a national crime prevention council in the hope that we can engender the kinds of crime prevention techniques, ideas and concepts and put them into place.

Having failed hypothetically with crime prevention techniques to prevent a hypothetical young offender from committing a crime, and having arrested the young fellow, we are then faced with a societal intervention. We have decided as a Parliament, as government policy, that we will not simply take a young offender and drop him into the slammer for a couple of years.

We want an intervention that is appropriate to the circumstances so that the young offender does not commit a crime again. There are several ways to go about it. We have heard different suggestions across the floor of the House and there is plenty to read about it in the media. We want to intervene so it does not happen again. The intervention must be prompt.

I have noted even in the amendments that we propose now and in the existing structures of the Young Offenders Act there is too much potential for delay of that intervention. The secret in applying the justice system to the needs of that young offender so that the young offender will stay straight is that society intervenes promptly in an appropriate way.

Even the youth transfer provisions to the adult court involve procedures. The intervention of the state following the offence of a young offender that takes a year or six months is absolutely useless. Could we please stop and take note that if a 16 or 16 and a half year old commits a crime and we wait a year before we are able to convict and intervene we have wasted a whole year. That young offender is 17 and a half years old. He or she is almost an adult. We have blown the entire window of opportunity to intervene.

We also have to remember that the interventions are not done by the federal government. Interventions following the commission of crimes by young offenders are by provincial jurisdictions. Young offenders are dealt with by provincial procedures following conviction.

This House edicts that there will be an appropriate and a timely intervention by a provincial government. We cannot do it. We have to negotiate it. We have to have the provinces on side. This is a fairly complex undertaking in a country like this. These jurisdictions have been successfully dealt with in the past and we can continue to make progress.

It is important to remember as we consider these amendments to this act that the government is committed to reviewing the entire operation of the Young Offenders Act, even the amendments that we are dealing with today, in a review which will probably take a number of months but which will be intensive. I know that review has the commitment of all members. We intend to do a very good job of producing a report that will

indicate the directions for reform if any. I am sure there will be reform proposals. I am certain of it.

This House and the justice minister may be able to make further proposals with provincial counterparts in the weeks to follow.

• (1240)

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, I have noticed there are really two main themes in this debate on the Young Offenders Act.

The first theme seems to be that we should deal with the root problem, the cause of youth crime. The other theme is that filling the jails is not going to be the deterrent that we should use to prevent crime, that filling the jails is not the only answer, is not the whole solution to the problem.

I would like to talk a little about these two issues. First I agree absolutely with those who have said that we must deal with the root cause of youth crime. I do not think members would find anyone who would argue with that position.

If we look at the legislation that this government and past governments over the past 20 to 30 years have passed, we find that the role of the family has been weakened by laws, including changes to the criminal justice system and the tax system. These changes have certainly done nothing to get at the root causes of crime, in fact just the opposite. The weakening of the role of the family and the increasing of the role of the state have weakened and added to developing the root cause of crime. It has allowed crime.

The other thing I would like to talk about is the issue of filling our jails as really not being a good deterrent to crime. Jail is part of the answer and jail does provide a deterrent but I too am concerned if we only look at filling the jails as deterrence to crime, including of course crime committed by young offenders.

We have to look at all possible options as deterrents. For example, we have to seriously look at boot camps and other types of set–ups where there is strong discipline. This could be used with young offenders.

Let us also look at something that was removed as an option for deterrence from the Criminal Code in 1971. I am talking about the use of corporal punishment not just with adults but with young offenders. We have to examine the possibility of bringing back corporal punishment as a very effective deterrent.

Before I was involved in politics the first time in 1975 I heard from a constituent who told me about his personal experience in the use of corporal punishment.

This gentleman was at a coffee table in a local restaurant when we were talking about how the criminal justice system had to be improved and how criminals were not being dealt with very well, not firmly enough. One person got on to the suggestion that we reinstate and use corporal punishment in our system again.

One gentleman who had been saying nothing until this point said: "I am going to tell you something that I have never told anyone before. When I was a young man I committed a violent crime". We never asked what the crime was. It was not important in the discussion.

He said: "As a result I received a prison sentence of about two years and I received the lash". This gentleman said that because he received the lash going in and going out of prison that he believed a deterrent had been provided that kept him from a life of crime. He believed that if it had not been for that corporal punishment, he would have been a lifetime criminal.

When members opposite talk about the harshness of corporal punishment in our criminal system, I would like to ask them this question. Which is more harsh? Which is more kind and gentle, using corporal punishment to prevent a life of crime or not having sufficient deterrents and having an individual become a lifelong criminal?

• (1245)

This gentleman who had received the lash said that he believed it kept him from a life of crime and he also believed that was far less harsh than the alternative of being a lifetime criminal and living every day, every year of his life knowing that he would go back to crime again and again.

Therefore when we are talking in this House about being kind and gentle, let us look at it from a factual and real point of view. I ask again, which is more kind and gentle?

I heard a very similar story from another gentlemen in my riding at an Elks meeting a few years later. This gentlemen had personally received the lash. He received the lash going into jail. He had a longer sentence. He said if he had his choice he would have stayed in jail for life rather than receiving that corporal punishment. This came directly from the person involved. He would have stayed in jail rather than receive the lash on his way out.

I think that says a lot about using corporal punishment as a deterrent. There are many different degrees of corporal punishment that could be used. Certainly with young offenders I think the degree of corporal punishment should be far less.

I know from personal experience throughout my life as a young person growing up that pain was a terrific deterrent. I believe that pain through corporal punishment should be seriously considered in this House as a deterrent to prevent young offenders from reoffending.

When I asked the parliamentary secretary a question in the House last year whether his government had even considered

corporal punishment as a deterrent, the parliamentary secretary stood up, looked at me in a scoffing manner—

Mr. Stinson: That is the Liberal look.

Mr. Benoit: Maybe that was the Liberal look. He said no and sat down. I believe that it is important that we discuss all options and I believe that we should look at the option of corporal punishment in our criminal justice system generally as a deterrent and in our penal system, including for young offenders.

In closing, I would like to make one more point and comment on how corporal punishment was removed from the criminal justice system. An ominbus bill I believe in 1971, a part of this omnibus bill was not debated, only spoken on by two speakers and that removed corporal punishment as a deterrent in our criminal justice system.

As a result of this bill under a Liberal government back then corporal punishment was removed without debate, without the consideration it deserved. I believe that now we should have the debate in this House and among Canadians to see if other Canadians feel the same as people of my constituency. This issue has been brought up again and again. Then maybe we will see that there will be or is a place in our penal system, including under the Young Offenders Act, for corporal punishment. Let us find out. Let us have an open debate.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I would like to make a short comment.

I listened with interest as the member for Scarborough—Rouge River talked about crime prevention. I think this relates quite specifically to Bill C–37 which we are discussing today.

I will make my point very brief. He talked about crime prevention and the need to focus on crime prevention more than the punishment of crime. He considered that important.

• (1250)

I would ask this House to consider whether the Young Offenders Act as it currently stands, even in light of the amendments in Bill C–37, encourages crime simply because the criminal element over 18 years of age is able to coerce young people to carry out criminal acts because of the lack of harsh offences and consequences that are not enforced under the Young Offenders Act.

What Canadians and even young people are telling us, those who represent them, is tighten up the Young Offenders Act so that these older criminals, the criminal element, are not harassing, coercing and bribing young people to do the dirty work for them because there will not be serious consequences as a result. That is crime prevention, that is what we should be dealing with and that is not in this bill. It is not in the red book and it is not in anything I have seen from the Liberal government to this point.

The Deputy Speaker: Is the House ready for the question?

An hon. member: Question.

The Deputy Speaker: The question is on Motion No. 5. All those in favour of the motion will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

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

An hon. member: On division.

(Motion agreed to.)

[*Translation*]

The Deputy Speaker: The next question is on Motion No. 6. Is it the pleasure of the House to adopt the said motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

The Deputy Speaker: In my opinion, the yeas have it.

Some hon. members: On division.

(Motion agreed to.)

[*English*]

The Deputy Speaker: The next question is on Motion No. 7. All those in favour of the motion will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

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

An hon. member: On division.

(Motion agreed to.)

The Deputy Speaker: Normally at this time the House would proceed to the taking of deferred divisions on report stage of the bill. However, pursuant to Standing Order 45(6), the recorded divisions will stand deferred until Monday, February 13 at 6.30 p.m.

Mr. Boudria: Mr. Speaker, I believe if you were to seek it you would find unanimous consent to further defer that vote from Monday at the time of adjournment until Tuesday at 5.30 p.m.

[*Translation*]

The Deputy Speaker: Does the House give unanimous consent to this motion?

Some hon. members: Agreed.

(Motion agreed to.)

* * *

[*English*]

AGRICULTURE AND AGRI–FOOD ADMINISTRATIVE MONETARY PENALTIES ACT

Hon. Sheila Finestone (for the Minister of Agriculture and Agri–Food, Lib.) moved that Bill C–61, an act to to establish a system of administrative monetary penalties for the enforcement of the Canada Agricultural Products Act, the Feeds Act, the Fertilizers Act, the Health of Animals Act, the Meat Inspection Act, the Pest Control Products Act, the Plant Protection Act and the Seeds Act, be read the second time and referred to a committee.

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri–food, Lib.): Mr. Speaker, the government has tabled Bill C–61 introducing the Agriculture and Agri–Food Administrative Monetary Penalties Act, a major component of our program to reform enforcement of the regulatory system for agriculture and agri–food products.

This bill introduces an option to enforce agriculture regulations outside the courts when domestic or imported products do not measure up to Canada's excellenct standards for health, safety and quality. A system that allows for equal treatment of domestic and imported products has been requested by the industry.

• (1255)

The administrative monetary penalty system, AMPS, would allow government officials to issue monetary penalties for most breaches of eight federal statutes and regulations under those acts in cases involving both domestic and imported products instead of proceeding through the criminal justice system as has been the case in the past.

The use of the criminal justice system would be reserved for serious breaches warranting high fines, a criminal record and the possibility of imprisonment. The move is in keeping with the government's overall plan. This overall plan will include that we ensure our high standards, apply those standards consistently to both domestic and imported products, increase the rate of compliance and perform our important regulatory function in a more efficient and cost effective manner.

The administrative monetary penalty system means precisely what it says. Monetary penalties will be imposed for violations under eight acts and their regulations, including the Canada Agricultural Products Act, the Feeds Act, the Fertilizer Act, the Health of Animals Act, the Meat Inspection Act, the Pest Control Products Act, the Plant Protection Act and the Seeds Act.

The system we are proposing today was developed in conjunction with the Department of Justice through the regulatory compliance project, a cross government initiative looking at alternatives to criminal prosecution of regulatory violations. The Minister of Agriculture and Agri–food and I are acutely aware that food safety and quality have been and must continue to be our top priority.

Our reputation for safety, quality and the competitiveness of Canadian products is vital to our domestic consumers. It gives producers and processors a critical advantage in the international marketplace. Doing a better job as regulators means protecting that reputation both at home and abroad. That is tied to our overall government commitment to jobs and growth by making the most out of liberalized world trade.

A year ago this government made a number of commitments to the people of Canada. I am pleased to say that within our first year of office we have made a great amount of headway on a number of fronts. Improving the regulatory system is one of those areas.

In reforming the way we enforce regulations we have asked some basic questions. Does what we do now make sense practically and economically? How could we do a better job of regulating? What does the industry want? What about consumers and what about our international obligations?

Under the present conditions penalties for regulatory offences are dealt with under criminal law. That means they are prosecuted in the courts. This is costly. It can cause delays and means that strict requirements of criminal procedure must be followed. This places a considerable pressure on our limited resources.

As a regulatory department we are not dealing with crimes in the order of murder, theft and assault. We are dealing with regulatory contraventions that fall outside true criminal law such as misleading labelling of food products, improper sanitation procedures in food processing and failure to follow market requirements for federal inspection or for packaging.

This legislation, AMPS, will allow us to treat most of these regulatory violations outside criminal courts in a manner that requires less formal procedures and lower costs for proceedings. It will allow us to allocate our scarce resources to uses with the highest value.

This legislation is far more efficient than prosecution, as it allows for the settlement of penalties without going through a hearing process. It is also a much fairer process for violators, as it removes the criminal stigma with these violations.

The use of the administrative monetary penalty system would widen the array of options available to the department in responding to non–compliance. We now prosecute essentially in situations of serious non–compliance such as actions that introduce a foreign disease or a pest into the country. Those are the main areas in which we follow the present process because of the cost and time involved.

A suitable alternative to prosecution that provides suitable deterrents to non–compliance is needed for effective regulatory enforcement. AMPS is such a system.

• (1300)

AMPS would provide the government with a much needed method of enforcing compliance with our regulations. The United States uses a monetary penalty system for exporters, yet we have not had this option to ensure that imports meet our standards in Canada. The United States department of agriculture and most other regulatory agencies in the United States use a system of monetary penalty.

Currently we have federal inspectors in plants and establishments in Canada and we generally have effective enforcement options in these situations to deal with non–compliant products. We can seize and detain the product in establishments or stop the processing line until the product is brought into compliance. For imported products these options are not possible. However, the monetary penalty system would give us an effective response to non–compliance in the market of these products.

The system would allow for the use of consistent enforcement practices against importers and domestic companies marketing products that do not meet Canadian health, Canadian safety or Canadian quality standards. Consistency of consequences for non–compliance combined with a greater rate of compliance increases the competitiveness of Canada's agri–food sector.

The recommendation to move to an administrative system came out of the department's regulatory review, where industry associations pointed out the need for active enforcement of domestic standards to imported products. They want a level playing field. This system would lead to equitable enforcement of regulations for domestic and imported products. Further consultation with the agri–food industry would take place in the development of regulations for the system.

The system emphasizes compliance, not punishment. In general, warnings would be issued before an administrative monetary penalty is proposed. In those situations where a penalty has been imposed, the system would allow officials with the Department of Agriculture and Agri–Food to negotiate solutions with companies when the product violates an act or a regulation. Penalties may be reduced or indeed waived if corrective actions such as processing modifications, staff training, the purchase of new equipment or whatever it takes to ensure future compliance, are made by the industry.

This kind of immediate corrective action results in a better product. It also results in improved health and safety and, in the end, more effective enforcement. Negotiated solutions to non–compliance are not now available.

With the monetary policy system being administrative in nature, it would replace most prosecutions and decriminalize violations of the various acts, as there is not a possibility of obtaining a criminal record or of being imprisoned. The system represents a further step toward decriminalizing our regulatory violations. We would retain the right to prosecute offences committed with intent that have the potential to cause significant harm. As well, we would ensure the effective regulation of health, safety and quality of both domestic and imported products.

The system would also allow us to issue tickets at ports of entry to Canada and allow us to issue those tickets for minor violations committed by the travelling public that try to illegally bring meat or meat products or plants or plant products into Canada.

The problem of that type of thing happening has the potential to be serious because of the possibility of introducing plant or animal diseases into the country. For example, the introduction of foot and mouth disease a number of years ago resulted in millions of dollars in damages and costs for its control and eradication. The current system based on prosecution before the courts is generally inappropriate for these violations unless significant harm is done.

Along with an education component developed by the department to increase awareness of important requirements called "Beware and Declare", we expect the monetary penalty system to solve the problem efficiently and effectively.

Through these initiatives major airlines will be showing travellers coming into the country a video on the restrictions surrounding the importation of agriculture and agri–food products and the possibility of receiving a penalty if they attempt to bring meat or plant products into the country without declaring them.

• (1305)

The use of the monetary penalty is not a new concept in the federal regulatory system. The AMPS being proposed in the bill borrows on the system used by Transport Canada to regulate activities under the Aeronautics Act as does Human Resources Development Canada for enforcement under the Unemployment Insurance Act. Other departments are as well considering a system for use in their regulatory areas.

Under the administrative monetary penalty system we expect a higher rate of compliance simply because the system is flexible, faster, fairer, and sends a clear message on what the response to non–compliance will be. We believe the system makes sense as we move toward a partnership with industry and as we shift many of our inspection activities away from hands on inspection and move more toward a monitoring role.

New enforcement options are needed to address this shift in responsibility as industry will take on a greater ownership of ensuring that agri–food products are in compliance with regulations.

The administrative monetary penalty system provides alternatives to both overly strict and weak enforcement. As I said earlier, our main enforcement options at the present time are to seize and detain a product and to prosecute. In addition, we can suspend and cancel licences, deregister plants and withdraw services. Because these last three options stop business operations either temporarily or permanently, we have used these sanctions sparingly and only as a last resort. As well these sanctions are not available for imported products.

A monetary penalty would generally be considered appropriate when the violation posed actual or potential risk of harm to health or safety and would cause economic harm or is a threat to the environment.

Administrative monetary penalties would be imposed on the basis of absolute liability, that is the penalty could be imposed without proving intent or negligence. The concept of absolute liability is appropriate to the administrative enforcement of regulations with modest levels for penalties and no threat of imprisonment.

We expect to begin implementation with penalties that will be broken into three basic levels ranging from $50 to $6,000 depending on the severity of the offence. The proposed legislation, however, would allow us to set maximum penalties at $15,000. This built–in flexibility would help to accommodate future increase that might be due to inflation and other causes.

The amount of the penalties could be adjusted higher or lower based on several mitigating or aggravating criteria, including seriousness of the violation, the compliance record, the degree of intent to commit a violation, the amount of harm done including harm to health and safety and economic and environmental harm.

As part of the system a review process would be set up to give an opportunity to be heard to those who believe they did not commit a violation. That review would be carried out by an appropriate government official, or a violator could request a hearing before an independent tribunal with recourse to the Federal Court of Canada as the final level of review.

Again in keeping with the emphasis on compliance, not punishment, the proposed act would authorize officials to enter into negotiations, if requested by the offenders, for the amount of penalties and for concluding compliance agreements. Under the compliance agreements, fines can be reduced or waived if the industry takes the necessary steps to ensure future compliance.

As well, under this system fines will be reduced by 50 per cent for offenders who pay the fine within the time prescribed by regulations without asking for a review. Doing a better job of regulating makes sense for the consumer, for the industry and for government.

The administrative monetary penalty system would provide for a quick response to most non–compliance situations. Combined with other enforcement measures, this should have the effect of improving compliance with the regulations. In turn this is expected to reduce the government's exposure to liability resulting from the underenforcement of statutes and regulations.

To conclude I would like to say that to introduce this system initially requires the passage of this omnibus legislation that would amend the eight acts I listed earlier. Implementation of the administrative monetary penalty system is an important step in our overall plan. It is important in order to improve the agriculture and agri–food inspection system. It is important to apply our standards of high quality, high health and high safety equally to products coming into the country and to products produced in Canada. It is important to stop the travelling public from bringing in illegal plants, animals or products made of plants and animals, and to bring an overall greater sense of fairness and expediency to the enforcement of regulations.

• (1310)

We are working in close co–operation with the industry. We are adapting to the changing business environment. We are finding different ways of doing business that do not compromise on the world renowned standards of excellence in Canada.

I recommend members of the House approve Bill C–61 as expeditiously as possible.

[*Translation*]

Mr. Jean–Guy Chrétien (Frontenac, BQ): Mr. Speaker, I welcome this opportunity to speak to Bill C–61, immediately after the presentation by the hon. member for Prince Edward—Hastings, especially since the hon. member, until quite recently, operated a big farm in his own riding and is an expert on the subject.

The purpose of the bill before the House today is to provide enforcement options to deal with persons who violate certain laws that regulate health standards and the quality of agricultural products sold in Canada and, of course, Quebec.

This legislation, as we just pointed out, will affect eight acts and their regulations, including the Canada Agricultural Prod-

ucts Act, the Meat Inspection Act, the Fertilizer Act and the Health of Animals Act. With Bill C–61, the government establishes what are referred to as AMPS. AMPS stands for administrative monetary penalties system. Throughout this debate, when we refer to AMPS, that is what we mean. The purpose of Bill C–61 is to extend the range of enforcement options available in legislation administered by the Food Production and Inspection Branch.

Under this system, an inspector from the Department of Agriculture and Agri–Food will be able to impose penalties when regulations are violated. This procedure would obviate the need for going to court, so this is also a matter of alleviating the burden on the judiciary system.

After reading the Auditor General's comments on inspection procedures, it is clear changes were necessary. I realize that these changes are not directly related to the changes recommended in the Auditor General's report, but this may be a first step.

I may remind the House that in his latest report, the Auditor General of Canada pointed out that resources were being wasted as a result of the incredible confusion with respect to inspection standards. A document from the Food Production and Inspection Branch tells us that the government expects to cut $44 million in this sector over five years, including $22 million in the next budget, which the minister will be bringing down a few weeks from now. After the by–election in Brome–Missisquoi, of course.

• (1315)

It would be worthwhile knowing the savings, which my colleague from Prince Edward—Hastings did not mention, the amount of the savings generated by this new approach and whether these savings are included in the cuts mentioned earlier.

We must be very careful to avoid imposing drastic cuts that could affect the quality of inspection services. At the risk of digressing briefly from the context of the bill we are currently considering, that is Bill C–61, I will take the liberty of adding that I have received a lot of mail from small meat–packing firms concerned about possibly having to pay inspection costs themselves.

The members of the Bloc quebecois will be keeping a close watch, at the appropriate time, to ensure the government does not dump the costs onto small businesses. That is the end of my brief digression, Mr. Speaker.

The fact remains that the AMP system provides for the imposition of fines, but through an administrative process. An AMP cannot lead to either a criminal record or imprisonment. The main objective of the system is to ensure compliance with the law, it appears. It is not intended to impose heavy fines as the result of an offence.

The system invites negotiation much more than severe penalties. In fact, to my understanding, it provides an alternative to public officials who must ensure compliance with legislation. The principle is clear: the intention is to reduce the number of legal proceedings and to provide more satisfactory solutions to carrying out the law.

Representatives from the agricultural sector have already pointed out that overly excessive fines were sometimes imposed for offences and that officials sometimes had to simply overlook certain mistakes. The flexibility of the AMPs could lessen the problem.

What Bill C–61 provides that is new is an alternative solution for the offender. Once an individual is found guilty, he has a number of options open to him. He can contest his guilt with the minister within a prescribed time frame and under certain terms of the regulations. If, on the other hand, he accepts the guilty verdict and pays the fine, the amount of the fine is automatically cut in half.

In our system of justice, the presumption of innocence is a fundamental right. By giving the offender this option, the accused is in effect threatened with having to go to trial and having to hire a lawyer to defend himself, with all that entails. He is simply told to pay up and be quiet. We oppose this principle which would require the less affluent to admit their guilt even though they would like to proclaim their innocence. The implementation of this measure could create a dangerous precedent.

I would like to compare this possibility to a personal experience of mine. I was stopped by an officer of the Sureté du Québec; I was certainly at fault, driving at 141 km per hour. The officer said, very kindly, "Sir, you were doing 141 but we will say 135, that will save you this much, you will save that much".

• (1320)

Once he gave me the ticket, I of course wrote out the cheque as soon as I got home and sent it off right away and, in so doing, admitted my guilt. As another example, one of my friends was once ticketed in a different but similar situation, for failing to come to a stop, although he was sure he had stopped properly.

He decided to plead not guilty but he too, poor fellow, should have written out a cheque as I did to get some peace of mind. He had to appear three times in court in Thetford Mines. The first time, the case was postponed because the judge was not in a good mood. The second time, the officer failed to appear. He had informed the court, but there had not been enough time to inform my friend; the third time, he won.

Yes, he won, but the money he saved did not make up for the costs incurred since he missed nearly three full days of work, not to mention his travel expenses and what he paid for his defence.

So, you see, I am more or less convinced that many of our fellow citizens will simply pay, even if they are not at fault, they will pay immediately to receive the 50 per cent reduction. What a deal!

You know that for a $2,000 fine, the fine is reduced by 50 per cent if paid in cash. So, for that reason, I strongly suspect that many people will pay forthwith to avoid costs which, in my opinion, would be much greater. It is a basic right and it must still be respected. As the hon. members opposite have said so well, we live in the world's most democratic country, so we must not let this wonderful democracy run wild, even though it sometimes seems, in my opinion anyway, to only hobble along in some cases.

Therefore, we are against the principle which obliges the less well–off to admit their guilt, even though they would rather claim their innocence. Applying this measure could set a dangerous precedent because the other available option, if the fine is $2,000 or more, is to reach an agreement with the minister. Applying this alternative solution is simple. If the minister accepts—the decision is discretionary—offenders can considerably reduce or even cancel their fines if corrective measures are taken to comply with the regulations in the future, that is individuals or businesses will see their fines reduced by $1 for each $2 they invest to improve their methods, businesses, ways of doing things or working, whether they buy new equipment or give new training to their employees.

Therefore, for each $2 invested in their businesses, $1 is taken off of their fines. This means that for each investment made to comply with the department's regulations, their fines are regularly reduced by 50 per cent. Thus offenders are able to negotiate their sentences. Our judicial system does not lend itself, in my opinion, to this kind of negotiation. When people make mistakes, they must bear the consequences.

This method constitutes a form of economic discrimination in the sense that individuals and businesses with bursting wallets will barely feel the impact of the sanctions, while people who are innocent, but have less financial means at their disposal, could pay bigger fines than their rich neighbours, sometimes for lesser violations.

• (1325)

We also have no idea of how the offenders' compliance costs will be estimated, or of what will happen if suppliers inflate prices. If we want to give businesses incentives to invest, let us do it through tax programs or through other means, not by negotiating sentences.

Another thing that bothers me is the power given to the minister and, by extension, to his employees. The minister will use his own employees to ensure compliance instead of the courts. They will be the masters of the destiny of those who have committed violations. They decide if there has been a violation, label it as minor, serious, or very serious, set the amount of the penalty, decide on the cases in which the tribunal may intervene and approve or reject compliance agreements. It seems to me that this is being done and that it could be detrimental and could lead to the obvious risk of political interference, not to say barefaced patronage.

These officials will have full authority to determine whether or not there has been a violation, and if so, the degree of fault. Who will decide if the fine is $2,000 for a minor infraction, $10,000 for a serious infraction or $15,000 for a very serious infraction? The decision–making process is therefore decentralized and the minister claims that the regulations remove any risk of arbitrary decisions. Because they are seen by the department as essential to an equitable application of penalties, it goes without saying that a draft of the regulations must be made available to the members of the committee studying this bill.

I am also somewhat bothered by the independence of the tribunal responsible for hearing the complaints of those named in notices of violation and for reviewing the decisions made by the minister or his officials. This reminds me, if I may digress again, of the meeting last week of the 19 Quebec Liberal members with the president of the CBC to discuss coverage of the referendum campaign in Quebec. It is terrible, Mr. Speaker, the political interference of this government in information. When we speak of democracy in a country such as ours, the first thing this should call to mind is the right to accurate, truthful and unbiased information. When a Liberal party caucus meets with the president, it is not to tell him: Cover the referendum, but do not slant it in favour of the Yes side, slant it in our favour because we are the ones who pay you, who set your budget and who will reappoint you to your position. And, for that matter, we are the ones who appointed you to it in the first place.

I also heard in the fall in this House that the minister of heritage had written to a quasi–judicial body, the CRTC, which reports through his department. The minister had written so that one of his constituents could obtain a licence. And the Prime Minister excused him by saying that he was not alone, that eight other ministers had written—

The Deputy Speaker: I am very sorry, but the time set aside for government orders has expired. The hon. member can continue next time.

It being 1.30 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*]

CHARITABLE AND NON-PROFIT ORGANIZATION DIRECTOR REMUNERATION DISCLOSURE ACT

Mr. John Bryden (Hamilton—Wentworth, Lib.) moved that Bill C–244, an act to require charitable and non–profit organizations that receive public funds to declare the remuneration of their directors and senior officers, be read the second time and referred to a committee.

He said: Mr. Speaker, it is an honour and pleasure to rise today to speak on behalf of Bill C–224, an act that would require charitable and non–profit organizations to declare once a year the salaries and benefits of their directors and senior officers.

This is a votable bill. If passed into law it will have a profound effect on all Canadians. It is a first step in bringing public accountability to a huge sector of the Canadian economy that has never been under meaningful public supervision.

I am speaking of the not for profit sector, the charities and non–profit organizations that pay no taxes and yet account for at least $120 billion in revenues and expenditures each year, about one–sixth of Canada's gross domestic product. Let me repeat, $120 billion, a sixth of GDP.

Incredible though it may seem, Canada has had few rules of public accountability governing this huge sector of the economy. The financial affairs of charities are but thinly disclosed to the public while those of non–profit organizations are entirely beyond public scrutiny. Even though charities and non–profit organizations are funded directly or indirectly by the taxpayer, they have been allowed to operate at whatever level of secrecy they choose.

Oh, yes, they will argue, they have to keep books. They have to be prepared for an audit by Revenue Canada. However there are 70,000 charities and 60,000 plus non–profit organizations. What are the chances of a spot audit? Even if an organization is audited, the Income Tax Act forbids public disclosure of the financial details or the results of the examination. The public has no right to know even when a charity or non–profit organization is discovered to have failed to keep the public trust, neither right nor opportunity.

This is a situation that has gone on forever. The potential for abuse is huge. The scope of the likely waste is difficult to comprehend. If only one–quarter of this $120 billion is being frittered away, soaked up in excessive salaries, improper contracts or bureaucratic inefficiencies, then Canadians are losing $30 billion annually, which becomes $30 billion out of the economy.

No wonder Canada has a debt and deficit crisis. I must say it never made sense to me that Canada, with all its resources and given its fine entrepreneurial spirit, should be in the cellar with Italy in terms of debt among the G–7 nations. Now it does.

No nation can possibly let an economic sector worth one–sixth of its GDP run along without scrutiny, without public accountability and not run up serious bills. And not have the financial crisis that Canada now faces.

There is irony here. As the finance minister casts around for spending cuts and savings crucial to the budget soon to be tabled, he looks in every corner of the rest of the economy; consumers, corporations, social programs, the public service and so on. He does not look at charities and non–profit organizations. Is there no waste here, no savings? Of course there are. I can only guess at the reason why charities and non–profit organizations have not yet come under the deficit reduction microscope.

• (1335)

It may well be because there has been no decent financial overview of the not for profit sector. It has literally been a case of out of sight, out of mind, for a generation of finance ministers.

No doubt this is true of non–profit organizations. There were 60,000 of them in 1986 and up until two years ago they did not have to file an annual financial information return equivalent to that required of charities. They only had to file as incorporated companies or trusts. If they were neither, they did not have to file at all.

Consequently, as the Auditor General stated in 1990, Revenue Canada "has no effective check on the right to enjoy tax exempt status". He could have stated further that the public, private citizens, journalists and even members of Parliament have no opportunity whatsoever to see how they manage their affairs.

However, thanks to the information returns required of charities, though very inadequate in terms of public disclosure, we can at least glimpse the huge dimensions of Canada's charity industry. I would like to refer my colleagues to an excellent paper, "A Portrait of Canada's Charities" which was produced by the Centre of Philanthropy, based on a study of 1993 charity returns.

Briefly, here are some of its findings. Canada has 70,000 charities through which $86 billion passed in 1993 for 12 per cent to 13 per cent of GDP. This amount is equal to the GDP of the entire province of British Columbia and considerably more than the entire agricultural sector. Forty billion dollars was paid out by charities in salaries and benefits—a huge sum.

Government funding of charities amounted to $49 billion in 1993, slightly more than half of all the charities' revenues. Hospitals and teaching institutions received 58 per cent of all

revenues, or about $50 billion. By contrast churches received only 6 per cent of revenues or about $5 billion.

Here is the problem. Anyone can find out how much a minister of a church is making for 6 per cent of the charity take. But it is usually impossible, right across this country, to find out the salary of a hospital or university president for 58 per cent of the charity take.

Why not? Hospitals and universities are all fully funded directly or indirectly by the taxpayer. Why does the taxpayer not have the right to know how much of his hard earned tax dollar is being spent on the salaries of their chief administrators? Why not?

The answer is, and I am sure that 90 per cent of Canadians will agree, that the taxpayer should know. We do have the right. If you are paying the bill you have a fundamental right to know how your money is being spent. That is a given. That is what Bill C–224 addresses.

It would require every not for profit organization to file a statutory declaration showing the total remuneration and benefits received by all directors and senior officers of charities and non–profit organizations. The minister of revenue would then make this information available to anyone who wanted it.

This I should add is no less than what is required now by publicly traded companies in Canada. If for profit companies are required to provide this kind of disclosure to shareholders, why should not charities and non–profit organizations do the same thing for their shareholders, the taxpayers of Canada?

It seems so reasonable, so obvious, so morally right. The fact is, however, that hospitals for instance have often ferociously defended the secrecy of their books and denied absolutely, even to members of their own governing boards, details on the salaries paid their top administrators. Indeed, trying to find out how most hospitals run themselves is akin to trying to assess the administrative practices of the government in Beijing from city hall in Thunder Bay. Most hospital board meetings are held in camera. The public and press are excluded.

This is all the more mystifying in that governments at all levels are told that hospitals are hurting, that beds must be cut back unless funding is sustained or even increased. Yet not even the politicians deliberating the problem of health care spending are entitled to know how much a hospital president is making. Why not?

• (1340)

Some might argue that the current charity information return already provides enough information about remuneration. It does not. It only requires totals and sadly, some charities filling out the form step around the spirit of openness.

For example, the charity return asks for the "total remuneration paid to employees who are executive officers, directors or trustees of the charity". Then it asks for the total number of people involved, which invites division of that number to get the average per individual.

Alas, often the trustees of charities are unpaid. Therefore the number you are dividing by is inflated and the average remuneration appears far lower than it actually is for key administrators.

Sadder still is the fact that many charities simply skip the remuneration lines altogether. The Canadian Cancer Society of Ontario reports paying over $8 million in salaries and then leaves the following lines on executive remuneration blank. Therefore we do not even get totals.

This practice is common. Any random sampling of annual charity returns will come up with many where the remuneration lines are not filled out. There is obviously an unwillingness by many charities to provide this elementary information. They get away with it because there is no penalty for their omissions short of revoking their charity status. There is no adequate screening of the filled out forms either. Errors abound and some must be deliberate.

Bill C–224 partially plugs this loophole. The legislation provides a penalty for the failure to disclose. A fine of up to 50 per cent of the funds received from government is a law that has teeth. Perhaps that sounds tough but in fact legislators in the United States have been tearing their hair and trying to bring to task not for profit organizations that have been giving executives excessive compensation.

The lifting of charitable status is too slow, the ways of concealing excessive compensation too intricate. I have to add that the United States is years ahead of Canada in trying to tackle this problem.

How bad is it? In the United States the information returns of both non–profit and charities are available to the public. There too, they have this phenomenon of organizations skipping the lines pertaining to executive remuneration. Prodding by the Internal Revenue Service has disclosed salaries exceeding one million dollars annually, $300,000 or $400,000 is not unusual.

This is undoubtedly happening in Canada as well. Our charity information returns are primitive in the detail they require in comparison to those of the Americans. The Canadian public, citizens, journalists or politicians cannot even see the returns of non–profit organizations. While these are available to every American on demand at the office of the non–profit organization, the equivalent information in Canada is denied to Canadians.

While my remarks have tended to focus on charities it is only because there is at least some public information on them. There is nothing on non–profit organizations. Nothing at all.

Revenue Canada is not even sure how many there are. The only figure I could obtain, 60,000, is nine years old and nobody—I mean nobody—knows how much money flows through them yearly. If it is even half that of charities, that is $40 billion. I suggest that that figure is conservative. I suggest that it could be considerably more. I suggest the combined figure that I have been using, $120 billion, is also conservative.

Last week I received a visitor at my constituency office in Hamilton—Wentworth riding. He was from Manitoba and while on business in Toronto he drove over to meet me because he had read in his local paper that I was investigating the not for profit industries.

He told me that he headed a for profit company in the business of recycling building materials. He said that he was being killed by a non–profit organization in the same business which enjoyed a competitive advantage because it did not pay taxes.

That same week, I received a call from the president of a Toronto union local representing jail workers. His problem was with a non–profit organization hired by the provincial government to manage group homes for youths convicted under the Young Offenders Act. The union wanted access to the company's financial statements for the purposes of negotiating a collective agreement. Denied. A non–profit organization does not have to disclose financial details to anyone. Secrecy is absolute, no matter how the taxpayer's dollar is being spent, and so it goes.

• (1345)

The real problem is that we do not know the net negative effect non–profit organizations are having on the economy. That many exist purely to pay inflated salaries to their principal officers there is no doubt. In doing so, with the advantage of not having to pay taxes, are they forcing out of business legitimate for–profit enterprises which would pay taxes? How damaging to a free market economy is a plethora of businesses which only have to compete sufficiently to line the pockets of their executives rather than sufficiently to show a profit to pay shareholders? How much of Canada's deficit is rooted in non–profit companies doing barely enough and no more?

There is only one quick way to get at this issue: require non–profit organizations to declare the remuneration of their principal officers, as Bill C–224 proposes, and the benefits as well.

MPs are often accused of having a too rich pension plan. I agree that is so and that it should be brought into line with industry. Tax exempt charities and non–profit organizations are dependent upon the taxpayer too, no less so than MPs. What kind of pensions do their executive officers get? Chances are given that this information has never been available, many of their pension plans would make current MP pensions look starved and stingy.

Just as the public demands accountability of its politicians, so it should demand accountability of those organizations dependent upon public and governmental generosity. There is no excuse for secrecy when tax dollars are being spent, directly or indirectly.

Finally, it is clear that the entire $120 billion not for profit sector is urgently in need of review and oversight. However, a problem of such magnitude cannot be solved overnight.

Nevertheless, something must be done immediately because the loss to the economy is undoubtedly enormous. The floodlight of public scrutiny must be brought to bear as quickly as possible. That is the intention of Bill C–224. It cannot cure in a stroke an industry that has been allowed to function unsupervised for decades but it can bring into sharp relief the fundamental nature of the problem. By forcing into daylight those executive salaries and benefits which are obviously excessive, it can show the greed.

[*Translation*]

Mr. Roger Pomerleau (Anjou—Rivière–des–Prairies, BQ): Mr. Speaker, first of all, I would like to thank my hon. colleague for his speech, which I thought was rather well researched and skilfully crafted.

I wish to tell him that members of the Bloc Quebecois are not against this bill but would like to discuss it more thoroughly. I want to take this opportunity to add my two cents' worth to the discussion.

Today's debate is on Bill C–224, an act to require charitable and non–profit organizations that receive public funds to report the remuneration of their directors and senior officers, which was introduced by my hon. colleague, the hon. member for Hamilton—Wentworth.

This bill would require charitable and non–profit organizations that receive, directly or indirectly, any payment from the public funds of Canada to report the remuneration and benefits received by their directors and senior officers. My Bloc colleagues and I think that the objective of this bill deserves our support.

It would be appropriate, in the name of openness, to require organizations receiving funds from the federal government or the public to disclose the remuneration and benefits provided to their directors and senior officers. Canadians would thus be able to ensure that public funds used to support charitable organizations do not end up in the pockets of those who administer these organizations, as we have seen recently at all levels.

As a donor, the federal government would be entitled to require that the remuneration and benefits received by the directors and senior officers of non–profit organizations, at least those supported by the government, be made public.

We support the principle of this bill for another reason: it will always be difficult to assess with accuracy the voluntary sec-

tor's contribution to Canadian society until we find out the number of paid employees and their salaries, as well as the size of the infrastructure in place to facilitate the work done by volunteers.

• (1350)

In these difficult times, understandably, volunteer work and donations are more needed than ever. This is due to the fact that voluntary organizations face an ever–growing demand for programs and services, on the one hand, and a reduction in government assistance and stiffer competition for private funds, on the other hand.

We must recognize that volunteer work is an essential element of society as well as a way of life and social duty. It is a democratic gesture which plays a very important role in the life of the community and compensates, as I just explained, for the government's gradual withdrawal from a number of sectors.

However, the situation is more complex as regards non–profit volunteer organizations, since they include various national, provincial and municipal organizations which are active in sectors as diverse as health, social services, the environment, justice, education, international assistance to name but a few.

I have some concerns regarding this bill. First, as my hon. colleague mentioned, line 16 in clause 3 reads as follows: "—receives, directly or indirectly". That wording is very general and could include a vast number of non–profit organizations which think they have nothing to do with the federal government, or with direct funding from Canadian taxpayers.

For example, a university research fund receiving money from a provincial government would or could be affected by this bill, since money received could indirectly come from federal–provincial transfers. Consequently, that research fund would have to disclose the salaries of its managers or directors.

As well, would an organization like the Knights of Columbus in a small town be subject to this bill, since the vast majority of such small charitable and non–profit organizations rely on public donations and therefore on public money?

I am concerned that the objective of this bill might be altered by the means used to achieve it. I fear that this bill might be stalled because it is too ambitious and could generate a lot of red tape.

This bill put forward by my colleague is commendable, its purpose being to eliminate as much as possible frauds committed by administrators and directors of non–profit organizations who take money from the Canadian public and use it more for themselves than for the great causes they claim to defend.

In order to respect the spirit of this bill, I think that we need to look more closely at its scope. We cannot treat in the same fashion organizations that are responsible and those that some people use to their own financial advantage, as can be seen occasionally.

We must also make a distinction between most small non–profit or charitable organizations and those that have large budgets. What constitutes a large budget, $50,000, $100,000? We do not know exactly. We need to have statistics on this and discuss the issue.

We must also make a distinction between a person who works hard all year long for a cause he or she believes in and who receives, for example, $40,000 a year as executive director and another person who would receive the same amount of money to organize, for example, a fund–raising campaign lasting two months. A mere report to the minister cannot make the difference between these two cases.

There is also a problem of confidentiality, of course, when a person's employment revenues are disclosed without the job description or the length of employment being known. For all these reasons, I think that the scope of this bill has to be limited.

First of all, only the organizations receiving directly any payment from the federal government and major non–profit or charitable organizations would have, for example, to file along with their annual reports a statement of income and salaries specifying the major positions and the remuneration of their incumbents.

With this proposal, there will be no need to create more bureaucracy, since companies already have to produce an annual report to which the income and salaries annex could be added, as would be the case for some charitable or non–profit organizations that meet criteria which, I think, still have to be defined.

• (1355)

Hence, the remuneration and benefits of the directors and managers of all major non–profit organizations would be disclosed, which is the purpose of this bill, and the financial institutions minister would be able to answer any legitimate inquiry.

Knowing full well that the hon. member for Hamilton—Wentworth is acting in the interest of the Canadian population, for which he must be commended, we would be prepared to support the principle of the bill if we could amend it to abolish some of the pointless conditions it prescribes for the vast majority of non–profit organizations whose staff receive little or no remuneration and to avoid creating another useless level of bureaucracy.

Finally, I would like to take this opportunity to thank all the volunteers in Canada as well as in Quebec, who work day in and day out to promote a cause they believe in.

[*English*]

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, it gives me great pleasure to rise today to speak in

support of Bill C–224, a private member's bill presented by the hon. member for Hamilton—Wentworth.

I hope the journalists who cover the proceedings of the House of Commons note that we as members are not always at each other's throats. If the public only watches Question Period and if Question Period is the only parliamentary proceeding that hits the nightly news, a wrong impression of how this House operates can and I submit has developed in the minds of Canadians.

There have been numerous occasions in this Parliament setting it apart from the previous Parliament when members have agreed on the disposition of various subjects. When a good idea is presented it deserves support. This is the view of how the House of Commons should work which my party has tried to get across since all members convened here a little more than a year ago.

While we have not always been successful, politics by its very nature being partisan, I believe we have on many occasions raised the level of debate in the Chamber through mutual co–operation on a number of issues.

The private member's bill presented by my friend from Hamilton—Wentworth deals with an important issue in a way which deserves our support.

This bill proposes that charitable and non–profit organizations that receive public funds be required to declare the remuneration received by their directors and senior officers.

In supporting this bill I want to make it crystal clear that the Reform Party for the most part supports the work of charitable and non–profit organizations in Canada. The Reform Party supports the work of the voluntary sector in Canada. I would like to point out along with the previous speaker of the Bloc that I too thank all of the volunteers across Canada, many of whom give many hours and are not always thanked as they should be.

We recognize the need for volunteers in many organizations and we respect the right of these organizations to exist and to carry out their functions.

However, what we are against, and this is the reason we support this bill, is these organizations not being accountable. If these organizations receive taxpayers' dollars then every penny of every dollar received should be accounted for.

I do not think it will come as a great surprise to many that Reform policy goes further than this bill. It is the policy of my party that no funds should be given by the government to any charitable or non–profit organization. It should be the responsibility of the organization to fund itself. If there is a need or a perceived reason for the existence of an organization then it should be able to sustain itself without the need for government handouts.

I also want to point out here that in my riding over the last year I have been donating 10 per cent of my salary, not because I think MPs are not paid enough or are paid too much, but because I think it was an opportunity for me to show people within my riding that if we are interested in a particular community project or a service group or a food bank then we can show others that it is up to us in the community to support those things.

• (1400)

Reflecting back on the last 15 years it seems to me that with the advent of the charter of rights and freedoms Canada gradually has become a society dominated by special interest groups, each group advocating what it deems to be a worthwhile cause. We all know to each of us the things we are involved in seem more worthwhile than what someone else is doing and it is an understandable feeling.

More often than not these groups receive seed money from some level of government. Because the federal government historically has the most money to give out, most of these organizations end up receiving some handout from the federal treasury.

The problem with this procedure is that the dependence on government grants begins and carries on. It becomes difficult for the organization to function without federal money. For political reasons it becomes difficult for a government, any government, to eliminate that funding.

It is the opinion of my party and it is my personal opinion as well that we can no longer afford to fund these organizations either totally or partially. If there is a good reason for the existence of the organization there should be a good reason for people to support it financially. However as long as these grants continue it is the least we as legislators can do to ensure that there is accountability.

It is shocking to think that not for profit organizations are not required to disclose individual salaries. While I am not condemning any of these organizations, surely the public should know if the reason there is no profit is because a great deal of the money received was spent on salaries or spent on programs. There should be no ambiguity.

The only way to eliminate this ambiguity is for these organizations to report fully on their disposition of funds received. It should, as my friend opposite suggests, be broken down so that there can be no misinterpretation as to which of the organization's programs were funded and how much each particular individual in the organization received as a salary or a bonus.

Full and complete disclosure should also have a chilling effect on any organization that uses the bulk of the contributions it receives on salaries. Perhaps the mere fact that salaries have to be publicly declared may result in more money being put into the programs.

The amounts of money we are dealing with here are not insubstantial. This whole sector of the economy comprises about 70,000 charities, as was mentioned earlier, which spent $82 billion in 1993. There are also 40,000 plus non–profit organizations which probably spent an amount proportional to the amount spent by the charities.

The annual returns required by Revenue Canada are not made public with respect to not for profit organizations. It is important that salaries be disclosed in these organizations because the amount shown will indicate if excessive profits are spent or simply eliminated through the payment of high salaries.

While the public and financial information returns of charities have been available since 1977 they are not policed by Revenue Canada for accuracy or completeness and contain little financial detail. Public accountability requires us to do better than this. The public should be able to know who gets how much.

I believe this bill accomplishes this goal. I am pleased to note that by the wording of this bill all not for profit organizations are affected. Even those administered by the provinces are affected. Therefore, hospitals, universities, research organizations, training schools and other institutions which receive federal funds will be subject to disclosure.

This bill is a good first step in dealing with the issue, however it is only a first step. It is important for us, perhaps in a committee of this House, to review the conditions precedent for having an organization declared to be a charity or not for profit organization. In other words, we should review the conditions an organization has to meet to receive the tax exempt status and to give tax receipts for donations.

Perhaps we may conclude that only organizations which pay their own way should have this status. If they receive a government grant then they pay tax. Such a review could focus on the role and value of purely volunteer organizations in our society, organizations that use all of the money donated to them for programs rather than for salaries.

On the question of grants and contributions by the federal government to these groups, I stated the firm policy of my party earlier. These grants and contributions are to cease.

In my position as the Reform Party's critic for literacy, I have suggested this to my party and will be suggesting it to the minister responsible for literacy, the government leader in the Senate. Most if not all of the literacy budget is distributed in the form of grants or contributions to charitable or not for profit organizations which are involved in the literacy business. These are organizations which encourage literacy through adult training, raise awareness of the problems of illiteracy, or perhaps are involved in family counselling where illiteracy is an issue.

• (1405)

Those are all worthwhile goals. However, it is my contention that they can be achieved without dipping into the public purse. Let us face it ladies and gentlemen, today we have no more money in the public purse.

Private enterprise, the business community, which stands to benefit the most from a high level of literacy should assume the task of training. It should assume this burden because business will reap the benefits.

I have also suggested that in order to treat these literacy organizations in a humane fashion, funding will be phased out over three years. Yes, no government funding to any of these organizations is my ultimate goal, but I appreciate the work done by my colleague for Hamilton—Wentworth. His ideas on this matter of salary disclosure deserve our support and Bill C–224 deserves the support of this House.

Mrs. Carolyn Parrish (Mississauga West, Lib.): Mr. Speaker, I have the pleasure today to second and to speak in support of Bill C–224, an act to require charitable and non–profit groups receiving public funds to declare the remuneration of their directors and senior officers.

This bill is the first important step toward reforming Canada's not for profit sector. With the implementation of C–224 all organizations with charitable or non–profit status receiving public funding by direct grants, government transfers or by tax exemption will be required to publicly disclose the amount of the salaries and benefits paid to their principal officers.

This bill is about accountability. It is about allowing these collectively funded organizations and agencies to be scrutinized not only by government but also by the public. It sets the same standard of accountability for not for profit organizations as those set for individuals, businesses and government.

When government funds individuals and businesses, rules and regulations are in place to ensure accountability. Why should the rules be different for not for profit organizations? In difficult economic times all precautions must be taken to ensure sparse public funds are allocated according to real need.

The issue is of utmost importance given the absolute necessity to control government spending today. We are forced to re–evaluate the role of government in society generally. Now more than ever we must closely scrutinize recipients of all public funds.

There are two distinct advantages to achieving charitable status in Canada. Once an organization is registered it is exempt from paying income tax. Registration also allows the organization to issue official donation receipts which donors then claim as income tax credits. This results in a reduction of tax revenues to the government.

Currently, registered charities, including private and public foundations and charitable organizations are required to file a registered charity information return with the department of revenue. These returns are also available for public release as per section 149(1) of the Income Tax Act.

Section D of the return asks how much remuneration is paid to employees, executive officers, directors and trustees. The question of how many people are paid from the total regular employees remuneration is not asked. As long as the organization files a return, even though it be incomplete, it retains its charitable status. There is no penalty if required information is missing.

The member for Hamilton—Wentworth's November 1994 report concerning special interest group funding contains returns from selected charitable organizations. Of these, only 50 per cent specified the number of executives or their salaries. The other half implied they had no executive officers, directors or trustees and therefore did not have to specify how much money was allocated for their salaries.

One wonders how an organization such as the Canadian Council on Smoking and Health claiming receipts of almost $1 million and employee salaries of close to $400,000 can function without directors or executives.

By simply including all salaries in the figures paid out to regular employees, organizations avoid having to identify or reveal executive salaries. The current charity information return does not require detailed information about remuneration. Canadians who are hard pressed to donate a simple $25 to a charity may be appalled to find its executive director receives half a million dollars in salary.

While the Income Tax Act requires charities to use at least 80 per cent of individual donations on charitable activities, it does not mention what proportion of a government grant should be used in this way. Moreover, when a charity is 80 to 90 per cent government funded the current rules leave an enormous gap.

The situation is even worse for non–profit organizations. They are generally not taxable. While non–profit organizations cannot issue official tax receipts, they receive direct funding from the government by way of grants and transfers and indirect funding in the form of tax exemptions.

• (1410)

Currently, non–profit organizations are required to file a non–profit organization information return with Revenue Canada detailing their financial information. Not every non–profit organization is required to file a return. Only those having revenue exceeding $10,000 per year or having assets of more than $200,000. Only 4,960 of an estimated $40,000 non–profit organizations filed a return in 1993. Under the Privacy Act and section 241 of the Income Tax Act all of this information remains confidential.

A non–profit organization has absolutely no public accountability. There is no way for any member of the public or the government to adequately assess the financial operations of these organizations. MPs are asked to approve grants for organizations in their own constituencies having little idea where that money is actually going. I have personally withheld cheques from organizations in my constituency that have failed to provide me with adequate financial information.

Bill C–224 requires a detailed public breakdown of all salaries for all charitable and non–profit organizations. This would eliminate a prime area of potential abuse in a largely unaccountable sector.

The Consumers' Association of Canada lists three sources of income on its information return with government grants totalling almost $900,000, more than 70 per cent of its total revenues. This organization pays one executive officer $96,000 a year. At least it reports this information. Most do not.

We can no longer allow any publicly funded organization to remain outside financial scrutiny. Given the state of the government's finances, the present situation is totally unacceptable.

There are more than 66,000 registered charities in Canada, a number which increases by 4,000 annually. We do not know exactly how many non–profit organizations truly exist.

The Canadian Centre for Philanthropy reports approximately $86 billion passed through registered charities in 1993, 13 per cent of Canada's gross domestic product and equal to the entire GDP of British Columbia. We can safely say that together charities and non–profit organizations account for more than $100 billion in cash flow. They pay out approximately $40 billion in salaries to 3.2 million people or 9 per cent of the Canadian labour force.

Registered charities alone receive approximately 56 per cent of their revenue directly from various levels of government, $49 billion annually; $5.5 billion comes from the federal government in direct grants and transfers and $600 million in forgone tax revenue, over $6 billion in total per year.

In our quest to control government spending, not for profit organizations cannot be ignored. Accountability in terms of salaries paid out by government funded agencies is the essential first step proposed in this bill.

Other important recommendations in the bill also need to be considered. The Income Tax Act must be amended to allow public access to the financial statements of non–profit organizations. Revenue Canada must scrutinize more closely the activities of registered charities.

Applicants for government funding should be required to waive certain protections offered by the Access to Information and Privacy Acts. Organizations should not receive significant government funding without having had their annual statements reviewed and approved by the granting authorities.

All of these recommendations establish accountability. Current financial conditions demand close scrutiny of all groups receiving government funding. This bill is only the tip of the iceberg, a small but necessary step in reforming the way we handle Canada's non–profit sector.

In the U.S., charitable and non–profit organizations must file returns with the IRS which are available for public inspection. Information must be filed by both charitable and non–profit organizations, unlike the Canadian policy which keeps the returns of non–profit organizations confidential.

The U.S. form is much more comprehensive and detailed. One section asks for the names, addresses, compensation, benefits and expense allowances of officers, directors and key employees. If any receive annual compensation of more than an aggregate $100,000 an additional schedule must be attached. The organizations are thus held directly accountable to the public.

We publicly fund charitable and non–profit organizations in Canada which engage in activities unrelated to their charitable status. Some participate in blatantly political activities by donating funds to political parties.

The Canadian Labour Congress was given a grant of over $3.6 million in 1993 for its labour education program. The CLC contributes none of its own revenues to this program yet was able to give over $1 million to the New Democratic Party in that same year.

• (1415)

The definitions of charitable activities are vague and open to abuse. Activities in the public interest and those of special interest are not clearly defined. As for non–profit organizations there are very few guidelines. Some of these organizations such as the Canadian Ethnocultural Council receive up to 80 per cent of their revenue from sustained government funding. Many could not survive without direct annual funding from the government. We are talking about $49 billion in government funding each year. We must get our act together.

I ask all hon. members to vote for the bill as a first step in addressing a situation that both the public and the legitimate not for profit sector should welcome. The taxpayer has a right to evaluate the spending priorities of recipients of government grants. Legitimate not for profit organizations have an interest in knowing that both government and private funding is allocated to those who need and deserve it most.

Mr. Ian Murray (Lanark—Carleton, Lib.): Mr. Speaker, I want to begin by congratulating my hon. colleague from Hamilton—Wentworth on the effort he has put into studying the subject of the accountability of non–profit organizations. This debate is about accountability. It should in no way be perceived as an attack on the numerous organizations that are making a real contribution to public policy.

At the same time it is appropriate to reconsider the necessity of government support for many not for profit organizations. I do not buy the argument that government funding is required to give a voice to people who would otherwise not be heard. Instead I believe the process has usurped the role of members of Parliament who are elected to speak for their constituents.

A look at the appointment diaries of MPs will demonstrate very quickly that it is not the rich and powerful who come to see us with their problems and concerns. Rather it is those who have come up against the giant bureaucracy that is modern government and have been stymied or frustrated by the experience. It is people who want a solution to their individual problems and would be unlikely to turn to another bureaucracy in the form of a not for profit organization to take up their case. That is a primary role of a member of Parliament: to act as an advocate for those who feel they do not have a voice.

On the broader question of consultation it is difficult to argue that governments do not consult. More often than not we are accused of consulting ad nauseam, to the detriment of action. Politicians are extremely conscious of the need to involve all stakeholders in any discussion of public policy. A look at the makeup of any advisory body on questions of wide interest will confirm this point. Membership is carefully structured to reflect linguistic, cultural, gender and consumer interests.

From time to time an issue will generate considerable public interest. Citizens will want to be involved in the policy process and will join with like–minded Canadians to galvanize public opinion and encourage governments to act. That kind of activity is perfectly legitimate and helpful.

The history of such grassroots activism suggests that politicians do respond. Sometimes whole new government departments are created, examples being environment and consumer affairs. However too often those departments begin to see their constituencies not as the people of Canada but as the interest groups that establish permanent organizations. Long after the public has decided that the original reasons their activism have been responded to, the not for profit organizations continue to exist as a mirror bureaucracy often supported by taxpayers. An

almost symbiotic relationship develops between the organization and the governmental body, and the natural inertia that exists in government organizations discourages change in that type of relationship.

It is only when fiscal pressures force a review of program spending that a reassessment takes place. We have reached or surpassed that point today. Government can no longer justify funding special interest groups that cannot demonstrate their legitimacy through self–sustaining financing. This is not only my view but also the view of many of my constituents who have spoken to me about what they expect to see in the budget.

For the first time in many years governments are being forced to make politically tough decisions about expenditures that have a real impact on people's lives. In the last budget we announced the closure of military bases that had contributed substantially to the welfare of whole communities. That was a tough decision but one that should have been made years ago. We are now about to ask Canadians to sacrifice even more, as we recognize that the deficit is the single overwhelming problem we face. As part of that exercise a number of government programs will be cut, resulting in significant job loss in the federal public service.

I mentioned earlier that many causes promoted by special interest groups have their own champions within government. I do not believe we should be cutting public service jobs if we are not prepared to reduce or eliminate funding to those extra governmental groups that mirror government programs and initiatives.

• (1420)

Another problem associated with special interest funding relates to the lack of control elected officials have over the process. Although politicians bear the brunt of public criticism and are justifiably held accountable for the expenditure of public funds, the real control of patronage rests within the bureaucracy.

Ministers cannot possibly pay close attention to every grant and contribution dispensed by their departments. Once budgets and guidelines are set, it is also seen as inappropriate for politicians to become involved in the disbursement of public money.

Public servants are sensitive to political considerations and this can lead to funding only for those organizations that are deemed politically correct. It becomes impossible to criticize such expenditures without being labelled as inappropriately biased.

The problem for members of Parliament is that it is usually not worth risking the disapprobation of powerful voices among the media and special interest groups. Taxpayers' dollars continue to be directed to organizations that may enjoy the support of only a small minority of the public.

The amount of money involved is staggering. Approximately $4 billion is directed to not for profit organizations in the form of unconditional grants. Another $3 billion takes the form of contributions for which accountability is demanded.

It should offend taxpayers that organizations which depend in any measure on public financing, no matter how noble the cause, can escape the normal accountability expected of any other private or public enterprise. This situation only invites abuse.

It should also concern Canadians that their members of Parliament have no right or ability to review how that public money is spent. Canadians are very tolerant. We are proud that so many of our fellow citizens involve themselves freely in organizations that exist to better the lives of others.

However we also believe any organization that claims to have the support of a large percentage of the population should be able to demonstrate the support with corresponding levels of membership and financial support. That is how one demonstrates legitimacy.

Unfortunately the availability of public funding for special interest groups has spawned many institutions that cannot meet that test and could not continue to exist if they were forced to depend on their membership and public appeals for support.

Again the motivation and objectives behind these groups may sound compelling, but we are living in an era of hard choices that will continue for many years to come.

My colleague from Hamilton—Wentworth has brought to our attention a number of examples of how federal grants are allocated which would, I am sure, surprise and upset many of my constituents. I would like to single out one in particular because it raises a number of questions. My colleague from Mississauga has already referred to it. Over the past 10 years the Canadian Labour Congress has received $41,370,247 from the federal government. This funding results from a 1977 labour education agreement with the government.

The CLC educational services program includes three courses on occupational safety. The subjects taught in the other 32 courses include techniques of organized labour activism, collective bargaining, grievance procedure, shop steward responsibilities, something called facing management and labour law.

I am not arguing that those are inappropriate subjects for union education. I do contend the Canadian taxpayer should not be funding the program with an average of $83,672 per person in pay and benefits for the office and teaching staff involved when we are facing cuts in other programs that will mean real hardship for many individuals.

A more troubling aspect of public funding for the CLC relates to its involvement in federal election financing. In the 1993 federal election the CLC donated $1,509,810 to the New Democratic Party. That was by far the largest contribution from any single source to a political party.

The taxpayer paid again when Elections Canada matched that contribution as provided by law dollar for dollar. Whether or not the CLC can argue it administers separate funds for education and political action, it is inappropriate for any organization that receives direct government funding to make political contributions. I would apply that rule to private industry as well.

This debate is important for a number of reasons. First, it is unlikely that many Canadians are aware of how much public money is channelled to special interest groups. Second, they should be made aware of the need for accountability by those organizations. Finally at a time of real fiscal restraint, it is important that all non–essential spending be put under the spotlight and justified.

I am pleased to support Bill C–224 and I am confident that it will have the support of a great majority of Canadians.

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, I am very happy to enter into debate on the very worthwhile bill being presented by my colleague from Hamilton—Wentworth.

People throughout the country are telling us that they do not want any more taxes. Taxes take various forms. They take the form of writing cheques on April 30 but they take other forms as well. Every time somebody receives a tax deduction for a charitable donation it is a form of taxation. It means that person did not have to pay tax on that transaction. He received an exemption for it. In a sense, between taxpayers there is a transfer of resources from one taxpayer to another.

• (1425)

People are asking us for greater visibility and accountability in government programs. One of my own initiatives, to be presented in a private member's bill later this year, is to basically try to focus on how much government programs cost and taking them one step further to how much they are costing each individual taxpayer in this country.

Therefore, it is with great pleasure that I stand in support of Bill C–224.

The financial community has long regarded accountability as being very important. Public corporations in this country publicly trading shares are required to report the remuneration of their top executives. The hon. member is asking for nothing unusual. It is only something that should have been put in legislation years ago.

One of my hon. colleagues from the Bloc mentioned that it is possibly too wide in scope and possibly applies to organizations that do not receive federal government funding. I do not really think that is the purpose. If there is a non–profit organization or a registered charity people want visibility whether governments have funded it one way or the other. Therefore, I do not think the scope is too broad. I think this could be something useful for all government agencies and for the public in general to have access to information.

Non–profit and charitable organizations do not have a profit motive or the necessary overburden for efficiency. In a free market economy, a capitalist system, obviously companies have to make a profit or they die, they go into bankruptcy and become insolvent. The whole concept of those organizations is how they are going to meet the payroll.

When I was in private practice running my own businesses every day I wondered how I was going to make the payroll. That was a big feature of my daily life. If I did not meet the payroll I would suddenly be out of business.

These organizations obviously have to meet the payroll but they also do not have the incentive to have to make a profit. This by itself creates inefficiency if there is not a constant focus on the results of the organization. Most non–profit and charitable organizations have a different focus. They are not trying to make a buck. They have a specific and worthwhile function they are trying to achieve. However, without having the restraints required of turning a profit or being efficient they will have a tendency over their history to build in inefficiencies. The greatest inefficiency is in the area of wages.

If we allow these organizations to simply set their own wage structure there will always be non–profit organizations demanding more money just by the nature of the way they are established. There is no requirement to be efficient.

I think the member has brought forward a very worthwhile bill that will give these organizations an advantage to make them more efficient because people will have the visibility of how much people were remunerated. The question is whether it is reasonable remuneration.

In conclusion, I certainly congratulate the member for Hamilton—Wentworth for his very valuable contribution today and I certainly support it. I would respectfully request that all the parties of the House support this very worthwhile legislation.

The Deputy Speaker: May we call it 2.30 p.m.?

[*Translation*]

The Deputy Speaker: The time provided for the consideration of Private Members' Business has now expired.

[*English*]

Under Standing Order 93 the matter will come up for further debate in the fairly foreseeable future.

It being 2.30 p.m., the House stands adjourned until Monday at 11 a.m.

(The House adjourned at 2.30 p.m.)

HOUSE OF COMMONS

Monday, February 13, 1995

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

[*English*]

AGRICULTURE

Mr. Allan Kerpan (Moose Jaw—Lake Centre, Ref.) moved:

That, in the opinion of this House, the government should immediately pursue negotiations with the provinces and agri–food industry in order to reassign jurisdictional responsibilities in agriculture and eliminate overlap and duplication.

He said: Mr. Speaker, today I am pleased to introduce debate on this votable motion. In discussing this motion I would like to share with the House a proposal that I refer to as reconfederating agriculture.

Today I will discuss the proposal in broad terms. Later in the debate I will suggest what the proposal means in practical detail about the policies, programs and budgets for governments, the agri–food industry and farmers.

Let there be no doubt about it, there has to be and there will be significant change in the way we do agriculture in the future. I hope it will be change for the better and that we will have an agriculture sector that is more market oriented, knowledge based and more productive and efficient.

I believe that we are at a time in our history when we must debate very basic ideas. We must ask ourselves, if we had to start all over again at square one knowing what we know now, what kind of agriculture sector would we design?

Someone has said that the difficulty is not in developing new ideas but in escaping from old ones. For too long we have let past ideas about how things have been determine future courses of action. New ideas are important for progress.

My motion is based on the premise that it is time to examine not only how government works but also what government does. At the end of this millennium our priority task is to determine areas where government should be involved and play a role and then seek to improve performance in those areas. In other words, we must be effective and do the right things and then we must be efficient and do the things right.

• (1105)

My proposal today builds on statements and ideas put forward in this House by my colleagues beginning in May of 1994. It also reflects the ideas which are being generated by many farmers, academics and farm leaders across the country. There is a real momentum building to radically alter and redesign how governments and industry function together in agriculture, in other natural resource sectors and in many other sectors of our society. This is an issue on which people are ahead of the governments in their thinking, in their ideas and in their proposals. It is time to bring those ideas and proposals to the legislative table, to look at them honestly and openly, to have the debate and discussion needed and to move forward. I am not suggesting what I will share today is the first or final word but it is a starting point for discussion and dialogue.

I want to ask three basic questions about agriculture in Canada in my remarks today. One, what does it mean to reconfederate agriculture and why do we need to do it now? Two, what should governments do in agriculture? Three, what should the agri–food industry do?

In answering the question of what it means to reconfederate agriculture and why we need to do it now, we are talking about outlining a more effective and efficient division of responsibilities between the federal government, the provincial governments and the agri–food industry.

The federal and provincial governments are both heavily involved in supporting the agri–food industry through expenditures. Because of the concurrent jurisdiction under the constitutions of the two levels of government, both federal and provincial resources tend to be allocated to similar activities. This is the basic reason for overlaps, duplications, excessive red tape and costly bureaucracies. Complicated regulations are confusing and intimidating for many farmers and processors. Confusion creates frustration and mistrust between governments and industry.

By way of current illustration of government involvement, in 1994–95 the 10 Canadian provinces will spend a total of almost $2.2 billion of taxpayers' money in support of agriculture. The federal government will kick in an additional $2.2 billion with the 10 provinces for a total of $4.4 billion. The 10 provinces had just over 10,000 agriculture civil servants employed in their agriculture departments this year, as well as the federal govern-

ment in its department, for a total of over 20,000 full time equivalent people on the public payroll in support of the private sector agriculture and agri–food industry. This translates into one agriculture civil servant for every 14 farms in Canada, or one person on the public payroll for every 19 farm operators.

We must examine the effectiveness and efficiency of these manpower and financial expenditures and what the return on investment is. For example, I have examined each province's current share of agricultural gross domestic product with the public dollars which are being spent supporting the agricultural industry in that particular province. This allows us to see how many public dollars are spent for each 1 per cent of the province's agriculture GDP share. Expressed another way, it shows how effective the agriculture industry is in a particular province by taking that public dollar and multiplying it into a share of GDP.

I have also compared the number of agricultural civil servants in each province with the number of farms and farm operators in that province. I have also compared the departmental organizations of each province with each other and with the federal department of agriculture.

The purpose of these comparisons is to see how we might be more effective and efficient. By honestly looking at these things we can learn from each other and get agriculture done smarter and cheaper. It is time to get past the political turf wars. We must address the spending of our governments in a co–operative and bold way with the vision of a new way of doing agriculture. The legal advice that I have received is that we do not need to open the Constitution. All we need to do is develop a shared vision and the political will.

I realize that we cannot just analyse organizational and economic facts and figures. Each province also has unique natural endowments such as climatic conditions, proximities to markets and the selling power of products.

• (1110)

It is mother nature who is not bound by geopolitical borders that determine farming activity, productivity and policy. Nevertheless, a comparison of the factors I have suggested can be helpful in determining how to do agriculture better.

Reconfederating agriculture means that we will develop a system of government in which more decisions are made at the local levels and at the farm gate. It means the devolution of some federal government responsibilities to the provincial and local levels, to the agriculture industry and to the farmer.

Why to we need to do it now? For the first time in a long time good economics and good politics are converging. We now live in a global trading environment made accessible by our market oriented, knowledge based, technologically equipped farming industry.

Developing a new system such as this does not mean an absolutely watertight allocation of responsibilities among players. We must try to reconcile competing tendencies. For example, there is a need to be global in outlook but local in application, to be small and big, to be centralized and decentralized, and to be capable of generating both economic freedom and justice for all the players. This process of reconfederating agriculture will therefore be an ongoing process of learning.

This leads to the second question. What should governments do in agriculture? I begin by reiterating what my colleagues and I have said previously in this House when we have proposed a clearer division of jurisdictions between the federal and provincial governments. It is my thinking that the jurisdiction of the provincial governments be in the physical and human resource areas. This is because those are the elements that are most unique to each province or region and are most manageable by them.

I have then proposed that the responsibility of the federal government be in one, trade policy and trade distortion adjustment support; two, whole farm income stabilization programs; three, health and safety standards; four, macrophysical, monetary and taxation policy.

These responsibilities reflect the true nature of the federal government. They assist lower levels of government by taking responsibility for those elements that span provincial boundaries and are common to all farmers and concern the whole farming industry right across the country.

We propose that the federal and provincial governments have more distinct areas of jurisdiction. This will result in public cost savings by reducing overlap and duplication. It will result in industry expansion and competitiveness by reducing the regulatory and tax burden.

Proposing this clear division of responsibilities between levels of government as well as between the public and private sectors is based on some basic assumptions about what government should do in agriculture.

I want to now briefly discuss six functions that government can most appropriately perform in support of agriculture or, for that matter, in support of other industries in the private sector. The first is research and development, an information sharing function. The purpose of basic research is to ensure we have a thing of value before we attempt to add value to it. This is often also called precommercial research and is thus usually done by the public sector.

Basic research deals with Canada's physical resources. Canada's agriculture industry is oriented on an east–west basis and covers three distinct climatic zones. The provinces that span this east–west orientation are thus blessed with different physical

resources. This is why I argue that the provinces should be more directly responsible for the physical resources of our country.

In pre–commercial basic research and development the provinces should work jointly with the federal government. This is where major public dollars should be spent. All the intellectual resources of our country should be harnessed together for pre–commercial R and D. Both government partners would also have a role in the sharing of information about the resources.

Second, governments have a limited commercial function. I assert that if we expect governments to maximize their pre–commercial activity we should also expect them to minimize their commercial functions.

A limited commercial function for governments means that they should provide a good or service that is normally not capturable by the private sector. These are called public goods or services. Their nature is that they are non–rival and non–excludable and thus not capturable for commercial purposes. Usually an entity like government is needed to identify the demand for these public goods and services, make arrangements for their provision and impose a payment on their beneficiaries.

• (1115)

This matter of the appropriate commercial function for government is one of the most salient and important discussions taking place today in countries and economies right around the world.

Many are saying that the obligation to provide a particular good or service should be assigned to the public or private sector based on this differentiation between non–commercial and commercial interests. Debate about which sector should provide the good or service should focus on the complementarity that each sector can bring to the society. The operative word is not compete but complete.

The choice between private and public sectors should not be one of politics but a seeking of balance, cost effectiveness and efficiency. Government should clearly invest mostly in the pre–commercial and non–commercial provision of public goods and services.

The third function that governments have is a regulatory role. All levels of government are needed to provide an appropriate and acceptable minimum level of regulatory policy upon the private sector. They should regulate in their separate areas of jurisdiction so as to minimize overlap and duplication.

One of the immediate improvements we could make in agriculture is to take all legislation that affects the industry directly and indirectly both federally and provincially, rewrite it in simple terms under one set of guidelines and administer it through a highly trained, effective single system of regulation throughout the industry.

I want to emphasize minimum level of regulatory burden. Farmers and agricultural players up and down the food chain want governments off their backs as much as possible.

The fourth function that governments perform is service. Service to the agri–food industry and general public is the sole reason for the governmental departments of agriculture and agri–food. The system of government should be of the people, by the people and for the people. Government is simply the chosen way that citizens have determined to manage their collective affairs.

The services provided by governments can be varied, however the basic role of government is to facilitate the private sector. In recent times this has come to be known as third party government, that is, an effort by elected representatives to raise resources and set social priorities through a democratic political process while leaving the private sector to do what it does best: organize for the production of goods and services.

It is not government's obligation to provide all services but rather to see that they are provided. To provide their service, governments have a taxation role, a corporate organizational role, and a spending role.

Governments should establish as low a level of taxation regime as possible. Taxation policies should not create dependency on the public sector but rather facilitate private sector entrepreneurs. Tax policy should ease the intergenerational transfer of assets. Tax money should be used primarily as investments in pre–commercial productivity and marketing enhancing programs like research and development and physical infrastructure.

In providing their services governments must efficiently and effectively organize themselves. There is lots of room for improvement in that area. The spending of public funds must be done effectively and efficiently. Public servants are stewards of funds entrusted to them by private citizens.

It is absolutely essential that taxation, spending and regulatory policy be set democratically, be clear and simple and be fair and equal for all the players. Governments should develop a taxation, spending and regulatory climate in which a free market system can flourish with justice. Governments should act as the referee who adjudicates a fair set of rules binding upon all.

The fifth function that governments have is a mediation role. Democratic governments are needed to mediate and attempt to reconcile specialized and sometimes competing interests among the sector players.

Sixth and finally, governments have an education and training function which I have already indicated is most appropriately handled by the provinces.

These then are some proposals about what governments should do in agriculture.

Finally, the third question I ask is: What should the agri–food industry do? I reiterate that we are proposing a clearer division of responsibility for the agri–food industry than what exists now. Government is too involved in the commercial business aspects of agriculture.

• (1120)

The basic responsibility of private industry stakeholders is to supply the demand for private goods. The industry has a commercial interest in providing a private good or service for exchange and profit. The entire life cycle of a private good or service from its envisagement through its development to its sale provides opportunities during which and from which financial benefit can occur to the provider of that good or service.

The vast majority of these private sector responsibilities and decisions should be made by the industry with minimum involvement by the government. At the commercial research and development stage private industry could profitably research and develop all material and non–material goods and services related to agriculture, including foods, animals, plants, genetics, biotechnologies, non–food products, machinery, equipment, and climate and weather forecasting, et cetera.

At the production stage private industry could profitably provide for the acquisition, preparation, planting, feeding, controlling and harvesting of livestock, plants and lands. This includes value–added initiatives.

At the processing stage the private industry could manage all matters related to goods or service, storage, inspection, grading, packing, assembly, pricing, marking and labelling.

At the transportation stage the private sector can profitably provide for the orderly process of an agri–food good or service from farm or processing gate to point of sale or export.

At the marketing stage the private sector can profitably provide for the advertising, promoting and selling of an agri–food good or service. This includes the concept of individual and/or group marketing.

Last, farm financing and insurance could profitably be done by the private sector. This includes all matters relating to securing, managing and the accounting of funds needed for the agri–food good or service life cycle and the ensuring of the material assets of the farm, including crops and livestock in the food processing industry.

There may be small niche roles for public financial services. However, the vast majority of these private sector, commercially profitable responsibilities should be handled by the private sector with minimal involvement by the government.

As I mentioned, later in the debate I will propose how we need to transfer specific policies, programs and involvements that governments now have to the industry.

The private sector is better suited to performing the six business functions than government is. These functions include the commercial function which is the provision of goods and services that are capturable by an entrepreneur and can provide him or her with the profit upon provision and sale. In other words, we want to have a free and just market system. This again is one of the most salient issues occupying the attention of economists and politicians around the world today.

That is why my colleagues and I insist on the importance of direct farmer and businessman involvement in developing agricultural policy. We must work from the bottom to the top. Business and governments alike are realizing that the more democratic they are, the more economically and socially successful they are.

Industry stakeholders should be able to democratically organize, carry out their activities—

The Acting Speaker (Mr. Kilger): Recognizing that the mover of this bill has 20 minutes, I am under the impression that the member for Moose Jaw—Lake Centre might require a few additional minutes to conclude his intervention. I wonder if there might be consent to allow the member for Moose Jaw—Lake Centre to conclude his remarks?

Some hon. members: Agreed.

Mr. Kerpan: Mr. Speaker, I appreciate that support from my colleagues.

I want to conclude at this point. Certainly in the next two or three hours I will have the opportunity to go into much more detail than I have done.

I began by saying it is time to reconfederate agriculture in Canada. The time is right and the need is now. I have suggested that we cannot just tinker with policies here and there. There must be a whole new way of doing agriculture based on more distinct and co–operative roles for both levels of government, as much as possible separate from each other and separate from the private sector industry. These suggestions are based on sound economic, organizational and democratic principles.

• (1125)

The first act our Fathers of Confederation passed some 125 years ago was the Agriculture Act of 1868. At the end of this century perhaps we as parliamentarians could have the foresight

and vision our predecessors had, the boldness, the courage, the openness and the good will to develop a new vision of responsibilities for agriculture.

I have sketched out a modest proposal. However, I would urge that we all look at this matter seriously and that we see how we can work smarter and cheaper and that we continue to provide Canadians and people around the world with the highest quality agriculture products possible.

I look forward to discussions with all my colleagues and for the House to vote in favour of this motion. More than that, I hope that serious dialogue will begin immediately with the provinces and the industry.

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri–food, Lib.): Mr. Speaker, first I would like to thank the hon. member for Moose Jaw—Lake Centre for giving me and my colleagues in the next hours of debate on this motion the opportunity to tell the House how the government has been working with the provinces and the industry to advance agriculture and the agri–food sector.

I appreciate his concern for the viability of this important sector of our economy, one that employs 1.8 million Canadians and 15 per cent of our Canadian workforce. It is a concern I share, a concern the minister shares, and a concern our government and all of us on this side of the House share.

We also share his concern about overlap and duplication, not just in agriculture and agri–food but in all areas. That is why the government has launched a process to improve the efficiency of the federation.

The hon. member will be pleased to know that the objectives and the successes of this process are certainly ones that have gone unmatched before. The objectives and the successes are in these areas: to reduce overlap and duplication, as the hon. member is pointing out; to improve effectiveness of programs through federal–provincial co–operation; to reduce administrative costs through streamlined program arrangements; and to improve client services so that all Canadians receive the best service possible as efficiently and as effectively as we can possibly deliver to them.

In agriculture and agri–food this process is resulting in a number of important activities. All of us know the first major issue this government had to deal with after taking office somewhat over a year ago was the General Agreement on Tariffs and Trade, or GATT.

I am pleased to say I was able to join the Minister of Agriculture and Agri–Food in those last few days in Geneva. We returned from Geneva in December 1993 with the new agreement. Before we arrived back in Canada the minister had invited all of the provincial ministers of agriculture and agri–food to Ottawa for a meeting which took place less than 24 hours after we returned. This meeting was held to discuss the implications and to plan together how we could and would meet those obligations.

As a result of that meeting I was asked to head a federal–provincial task force on orderly marketing which reported to the ministers during the middle of last year and again in December 1994. As a result of everyone pulling together to get the job done, our supply managed sectors are moving forward to meet the challenges of the new trade regime. That job is not yet complete but again I want to thank everyone, every stakeholder in the industry, who got together around the same table to talk about how we can all go forward to strengthen and encourage the supply managed sectors in Canada.

The new GATT also brings the opportunity for us to take advantage of the new trading rules to expand our markets and especially to broaden our horizon beyond the United States.

Last July federal and provincial ministers of agriculture reaffirmed their commitment to work to see the Canadian agri–food exports reach $20 billion per year by the year 2000. They added a further target in a further challenge which is to regain Canada's traditional 3.5 per cent share of the global agri–food trade. When we put that challenge forward that goal moves on from $20 billion per year to $23 billion per year. With the advances made the last number of months, everyone is becoming more and more confident that we can meet and hopefully beat the $23 billion target.

• (1130)

The Federal–Provincial Market Development Council has developed a comprehensive work plan to accomplish these goals and both levels of government are working actively and effectively to eliminate overlap and duplication. The provinces and the federal government are also co–operating to develop a single window point of access for federal and provincial marketing programs.

Another area where we are making progress and reducing duplication is in the provision of financial services to the agri–food community. We know this is very important. Agriculture is an industry that takes a tremendous amount of capital. We must assist primary producers in all sectors to put their business plans together so they can be successful.

The Farm Credit Corporation and interested provinces are discussing strategies to reduce duplication of government services. As part of this process the Farm Credit Corporation has acquired the New Brunswick Agriculture Development Board's $37.4 million portfolio. In addition a Canada–Alberta pilot project was launched last June to combine the lending services of the Farm Credit Corporation and the Alberta Finance Services Corporation into a single delivery point. Needless to say, that makes a lot of sense. We are continuing to hold discussions with other provinces to improve efficiencies in this area.

I would like to make it clear that this is simply not a government to government process. The examples I have used so far have been primarily that. Agriculture and Agri–Food Canada is working closely with the private sector and the universities on research. Last year the department ran a pilot project called the matching investment initiative, matching dollar for dollar the money industry was willing to put up for research and research projects. The department and the private sector have been doing this in a collaborative way for a number of years with great success.

There are some other areas where that co–operation is working very well. We have safety nets, the Canada food inspection system. I could go on but I will leave those examples and a few more words to some of my colleagues who will be taking part in the debate as time goes on.

These two initiatives are significant achievements in that they show federal, provincial and even municipal co–operation to reduce overlap and duplication and to improve service.

In conclusion, I would like to again point out to everyone that agriculture is a shared jurisdiction between the federal government and the provincial governments under the Constitution. This has meant that the two levels of government have had to work together since Confederation, which is 127 years ago.

In recent years federal and provincial governments have focused on working together to make the management of this shared jurisdiction as effective as possible. A report prepared for and by the Government of Quebec last year showed that the two levels of government work well together and that the overlap and duplication is minimal. The report put the cost of overlap and duplication at 1 per cent of combined federal and provincial spending in agriculture in the province of Quebec. That is not very much.

However, I would be the first to agree that is probably 1 per cent too much. We will continue to work constantly in co–operation with all provinces and with the industry to ensure that the Canadian public gets the maximum value for its tax dollars.

In order to keep within my allotted time, I have had to reduce the number of examples I could use. However, I know that my colleagues will express more of those as we go on in the debate. We look forward to comments from everyone and suggestions as to where we can continue to make improvements.

The facts presented here today should show clearly that if we were to adopt the hon. member's motion to "immediately pursue negotiations with the provinces and agri–food industry to eliminate overlap and duplication", we would be reinventing the wheel. We are all doing that at the present time. I appreciate the emphasis and the encouragement he has given. On behalf of the government I can assure him that we will continue to move in that direction and make the federal role with our colleagues in the provinces, industry and universities even more effective than it is at the present time.

• (1135)

[*Translation*]

Mr. Jean Landry (Lotbinière, BQ): Mr. Speaker, before I start, I would ask for your consent and that of the House. I have a 20–minute speech and I will be the only speaker during the three–hour debate today. Therefore, I ask for unanimous consent to deliver my speech in full.

[*English*]

The Acting Speaker (Mr. Kilger): Our colleague from Lotbinière has explained to us his predicament. He wishes his intervention to be of 20 minutes' duration, which is twice as long as usual.

He gives his assurance to the House, and as the presiding officer I take the undertaking from the hon. member for Lotbinière that no other member of the Bloc Quebecois will speak on this bill during its duration, which is three hours.

The hon. member for Lotbinière is asking, as the only spokesperson from the Bloc Quebecois on this bill, that he be allowed to speak for 20 minutes. He assures us he will be the only member from the Bloc Quebecois to speak on this bill.

[*Translation*]

Did I explain the situation correctly?

[*English*]

Is there unanimous consent?

Some hon. members: Agreed.

[*Translation*]

Mr. Landry: Thank you, Mr. Speaker and all members of this House. I am pleased to rise today to speak to Motion M–314 put forward by the Reform Party. Allow me to read the motion in question:

> That, in the opinion of this House, the government should immediately pursue negotiations with the provinces and agri–food industry in order to re–assign jurisdictional responsibilities in agriculture and eliminate overlap and duplication.

There is no need to reiterate my party's position regarding overlap. It goes without saying that the Bloc Quebecois has been fighting against all these unnecessary and, above all, extremely costly cases of overlap since its arrival in this House. That is why the motion put forward by my Reform colleague is quite acceptable and even desirable.

Yet, common sense seems in short supply in this government. We find ourselves repeating over and over again why it is essential to eliminate overlap between Ottawa and the prov-

inces. The Minister of Finance should listen to us instead of going after the most disadvantaged and the middle class when he tables the budget in a few days. It is never too late to make amends.

In agriculture as in all other sectors, the federal government's presence in areas of shared jurisdiction creates unnecessary and costly overlap, as I was saying a moment ago, not only in terms of administrative costs but also in terms of duplication of policies, which often compete with or contradict each other. This, in turn, reduces the effectiveness of government measures. Measures adopted by two different levels of government regularly cancel each other out. Each level wants its priorities and objectives to prevail, and the tugging back and forth is endless as neither will let go.

But Quebec has been asking for years for control, not only over agriculture, but also over regional development, natural resources, manpower training and so on. There are also problems in areas other than areas of shared jurisdiction. The federal government does not respect the provinces' exclusive jurisdiction over areas of provincial jurisdiction, and never did.

The Reform member's motion is relevant, but does he realize that the federal government has always been, and continues to be, centralizing? Quebec knows that this government turns a deaf ear to even the most sensible suggestions when it comes to decentralizing powers to the provinces. Let us be wary of transfers of administrative responsibilities in lieu of jurisdictions. With the former, the provinces are at the mercy of the federal government which can, at any given time, cut budget allocations. In the present situation, the Liberals are likely to suggest such transfers, when we know full well that it is just passing the buck to the provinces.

• (1140)

The provinces are asking for responsibility, of course, but also for the income tax points that come with it. We know that the so–called flexibility of the federal government is nothing but a sham, an empty word that the big guns of federalism use to deceive us once again.

Only by becoming sovereign can Quebec exercise any real control over its socio–economic development. So, when I say that we support the motion, this means that we realize that the federal government never paid any attention to this.

The federal–provincial division of powers issue will become irrelevant once Quebec has achieved sovereignty. However, you will agree that, for some provinces, including Quebec, a federal Department of Agriculture and Agri–food is more of a burden than a benefit.

In Quebec we have two departments of agriculture, each with its own farm income stabilization scheme; we have federal and provincial involvement in marketing board systems; and we have two levels of government involved in agricultural research and farm credit. The result? The kind of overlap that causes constant fiction between both levels of government, with federal decisions being made at the expense of Quebec, and that generates major costs in the agriculture and agri–food sector, a sector that has to live with two regulatory levels and meet the requirements of programs that do not reflect the same policies.

To support this motion means putting an end to the friction caused by unclear jurisdictional divisions. For years, Quebec has received from Ottawa only half or as little as one third of federal taxes earmarked for the agricultural sector.

The several hundred million dollars foregone annually could be used to create jobs in an industry that is responsible for 11 per cent of total employment in Quebec. In 1993, Quebec received $372 million of the $3 billion budget of the Department of Agriculture and Agri–Food, a meagre 12.4 per cent, and this was better than usual.

Between 1986–87 and 1991–92, Quebec's share was 8.3 per cent, according to Agriculture and Agri–Food Canada. Interestingly, Quebec's revenues in the agricultural sector represented 16 per cent of total Canadian revenues in this sector. Furthermore, in terms of added value, the Quebec food industry represents 25.4 per cent of the Canadian food industry, according to Statistics Canada.

The following is an example of the utter confusion caused by the involvement of two levels of government in health standards and meat inspection. At the present time, at least three inspectors visit farms to get exactly the same information, which is then transferred to Health Canada, to Agriculture and Agri–Food and to the Quebec Department of Agriculture, respectively.

The federal government spends $275 million each year on inspection and regulatory procedures, in an area that is covered almost identically by the Government of Quebec. For Quebec, this outright duplication means an annual loss of $64 million.

If the provinces were given jurisdiction over agriculture and agri–food, Quebec could stop subsidizing the central government, whose policies are based on the needs of the west, as we have repeatedly pointed out in the House. These policies are based on the needs of a grain export industry, whereas Quebec's supply management policies are designed to support the livestock industry. One advantage for us would be not having to invest so much energy in Ottawa any more to establish the legitimacy of our own programs.

At this point, the short sighted view of the federal government would indicate dark days ahead for agriculture. We remain at the mercy of Ottawa's unilateral cuts. The upcoming budget provides for major cuts to the Department of Agriculture and Agri–Food, cuts that are likely to affect service to the industry and to the public.

• (1145)

These cuts are the result of Ottawa's wastage of public funds. This is what happens when unnecessary overlap continues unchecked.

It would be appropriate to recall here the position taken by the Union des producteurs agricoles du Québec in its brief to the Bélanger–Campeau commission in December 1990. It stated that, in the area of agriculture, Quebec wanted to take its legitimate share of federal funds and invest it according to its own priorities, policies and programs. It wanted to continue to develop agriculture in the province with the federal funds granted to it on the basis of the four forms of support to agriculture: supply management, income stabilization, farm credit and crop insurance. Each time, energy was wasted in confrontations, for the most part to no avail, trying to assert its point of view on this matter.

Obviously, Quebec is entirely prepared to assume its responsibilities in respect of agriculture and agri–food. We have all the tools to develop our industry and a strategy to do so. I myself have described this strategy to the House on more than one occasion. I would like to review its main points.

The stakeholders and parties in Quebec interested in regional development and agri–food matters met in February 1991 in Montreal and decreed that the community should take charge of its own future. The following objectives were identified during these rural estates general: respecting and promoting regional and local values; dialogue with regional and local partners; protecting and renewing resources; redistributing political power from the top down.

Thus round tables on the food sector were established in Quebec. During the conference in Trois–Rivières in June 1992, they came to an agreement on the main areas to be emphasized to ensure development of the agri–food sector in Quebec. These included, in particular, recognizing, developing and supporting human resources training; ensuring continuity, development and growth in agri–food companies; readjusting current income security programs on the basis of production costs; developing income security programs consistent with the rules of international trade; promoting funding for agricultural businesses and their transfer without incurring massive debt; providing for support for non–viable businesses likely to be reorganized within the sector and providing assistance to persons getting out of the agricultural business. Stakeholders in the Quebec agricultural community have taken measures to control decision–making in their area.

All the while, the federal government is gearing its agricultural policy to the needs of farmers out west. The agricultural bills that have been introduced in the House over the past year all dealt with the grain sector. In addition to Bill C–61, there has been Bill C–49 to amend the Department of Agriculture, Bill C–50 on the Canadian Wheat Board, Bill C–51 on Canadian grain and, now, Bill C–66 on western grain transportation.

Yes, Quebec is ready to assume full responsibility for its agricultural and agri–food sectors, but we need adequate financing, which we can only get by recovering our share of taxes earmarked for those sectors.

If by some miracle the federal government should adopt the motion and agree to transfer jurisdiction over agriculture and agri–food to provinces that want it, the provinces will have to be involved throughout the process. Therefore, the governments which will assume responsibility for the jurisdiction will have to be included in discussions on the transfer of responsibilities and in negotiations with the industry.

We must be on guard: the federal government cannot enter unilaterally into negotiations with the industry to make major changes in responsibilities between it and the industry while it is in the process of transferring jurisdiction to the provinces.

• (1150)

And the government should make no mistake: we are not talking about a transfer of responsibilities, but of jurisdiction. We will not be dumped on. In the case of agriculture, the power will be strictly provincial when administered by the provinces.

In Quebec, we know from our experience with fisheries that a transfer of responsibility can be unilaterally cancelled by Ottawa. We must avoid, at all costs, repeating this catastrophe in the agricultural sector.

Thus, we say yes to the motion. We would also like to say that we, the Bloc Quebecois, are able to say yes to any motion that is good, whether proposed by a Reformer, a Liberal or a Conservative. Yes to a transfer of jurisdiction, but no to transferring responsibility without transferring tax points.

[*English*]

The Acting Speaker (Mr. Kilger): I know there were some discussions with the Chair as to who would speak next. During private members' hour the Chair has a great deal more flexibility in terms of recognizing members alternating from the government to opposition parties.

In this instance, just to make sure I sustain debate, I wanted to be assured whether the member for Lotbinière was going to be speaking for or against the motion. Having spoken for the motion, I will now go to a speaker who I suspect will be against the motion. I should not assume that; in private members' hour it is a free–for–all.

Mr. Gary Pillitteri (Niagara Falls, Lib.): Mr. Speaker, the hon. member for Prince Edward—Hastings has already referred to the work the government has done with the provinces and industry to develop a whole new farm safety net program.

I would like to elaborate. The problem that had to be resolved in this process was to design a national whole farm safety net program that would still meet the specific needs of each province.

In December 1994 federal and provincial ministers received the final report of the national safety net consulting committee. A consensus was reached consistent with the recommendations of the committee. The farm income protection policy centred on three key elements: crop insurance, a national farm income program, and specific companion programs.

The new whole farm program will be built on the existing net income stabilization account, NISA. A number of changes will be reviewed with the industry to make the program trade neutral and cost effective. Companion programs would derive support tailored at provincial levels to allow for flexibility to meet specific provincial circumstances.

What is most important in this consensus is that the provinces will be able through the companion programs to identify where they want to spend their money in co–operation with the federal government.

Currently provincial and federal officials are completing the necessary details for a multilateral memorandum of understanding. The policy is based on a 60 per cent federal and 40 per cent provincial cost sharing arrangements, monitoring and management process. Once it is completed we will develop federal–provincial bilateral arrangements with each province to allow for specific companion programs.

What I have just outlined is but one example of how federal and provincial governments are continuing to work together to reduce overlap and duplication. In view of the work that is being done, I urge my hon. colleagues to reject Motion No. 314.

• (1155)

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I rise to speak on the private member's motion of the member for Moose Jaw—Lake Centre on jurisdictional responsibilities in agriculture. The motion encourages a complete rethinking of the role and scope of governmental involvement in the agricultural industry.

Like most farmers everywhere in Canada I believe agricultural support is not always delivered in a way that is beneficial to farmers. Taxpayers are consumers. Some of the activities performed by both federal and provincial governments are duplicated, counterproductive or even working at cross purposes. It is high time a thorough overhaul of the system was done.

Within my province of Alberta many federal programs and provincial programs are in place. Therefore the case for consolidation is clear. What started out as a way of helping farmers through the rough times has grown into a top heavy bureaucracy that needs to be pared. As a result of the growth of the department there is now one agricultural bureaucrat for every 14 farmers, which ratio is unsustainable in the long term. We owe it to both farmers and the public service to design a stable and sustainable system.

The overlap and duplication in the system make clear the case for consolidation. There are two forces pushing on the farm industry providing the impetus for making changes now. They are trade agreements with our international partners and the country's fiscal situation. However the most important reason for making the kinds of reforms the motion proposes is that farmers will receive better service from the government. It will cost less and we will all be far better off as a result.

It is important to remember that the well–being of the farming community is at the heart of why we have agricultural support programs. They are not make work programs for public servants or regional development initiatives or even ways of competing with trading partners. It is vital we keep the welfare of the farm and the farm family at the centre of our focus.

The recent trade agreements we have entered into with other nations, such as NAFTA, GATT and the World Trade Organization, have created a set of international subsidy and transportation rules to which we are a signatory. It has become clear to us that many of our current programs will have to be altered dramatically to comply with international trade rules. Being as we have to change our programs anyway to fit the new world trading system, it makes sense to take this opportunity to overhaul our approach to agriculture.

Another reason for systemic reform as I mentioned earlier is that our national finances are in a mess. We all know that. The cost of administering these programs, hundreds of them from coast to coast, is unsustainable even in the short term.

Farmers are not seeing any benefit from much of the moneys spent by the ministry of agriculture because far too much of it is spent on administration. Taxpayers are growing weary of paying more and more for less and less. The time for revolt is coming close. We hear about it in the papers every day: a tax revolt here or a tax revolt in Toronto. All across Ontario, Saskatchewan, Manitoba and Alberta, everywhere, we are hearing about tax revolts.

• (1200)

If we can reduce the number of program overlaps with the provinces, bring better service to farmers and save taxpayers' money, that is sufficient reason to carry out an industry wide review. There is considerable evidence that government intervention and programs designed from the top down are very often not in the best interest of farmers.

Those of us who have been in the industry for a while will remember the LIFT program from the early seventies. This was a program designed by the minister of the day to deal with low grain prices caused by a glut of grain. Farmers were given financial incentives to leave land out of production in an attempt

to firm up demand for the product. Demand did rise dramatically because right about that time the Soviets, among others, began buying vast amounts of grain on the international market. The price of grain rose dramatically.

Unfortunately most of the farmers could not take advantage of the higher prices because they had been encouraged by the government to take the land out of production. They lost the revenue. Most grain farmers ended up worse off financially as a direct result of government intervention. Farmers were told to stop growing grain. As soon as that happened, the price of the grain went up. Taxpayers paid farmers to stop producing and they could have made more money if they produced and sold it on the world market.

This is a typical situation of government intervention at the wrong time, in the wrong place, in the wrong way, that totally distorts the whole market. We end up being much worse off because of it.

Another of the great government flip–flops in agricultural policy has been the GRIP. This has been a dud from the word go. The initiative that spawned GRIP was the growing together exercise, as it was billed by the then minister of agriculture Mazankowski "a great consultation with farmers that would discover their needs and develop programs to deal with them".

When introducing the GRIP program to the prairie pools, the minister referred to it as an unprecedented exercise in partnership. He said that people on the prairies want the government to consult with them before making major decisions.

The motion put forward by the member for Moose Jaw—Lake Centre is admirable, should be given every consideration and should be supported.

The Acting Speaker (Mr. Kilger): When we come to the debate during second hour on this motion someone from the government side will lead off that hour of debate.

The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93, the order is dropped to the bottom of the order of precedence on the Order Paper.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

The House proceeded to the consideration of Bill C–59, an act to amend the Income Tax Act and the income tax application rules, as reported (with amendments) from the committee.

SPEAKER'S RULING

The Acting Speaker (Mr. Kilger): There is one motion in amendment standing on the Notice Paper for the report stage of Bill C–59, an act to amend the Income Tax and the income tax application rules.

[*Translation*]

Motion No. 1 will be debated and voted on.

MOTION IN AMENDMENT

Mrs. Francine Lalonde (Mercier, BQ) moved

Motion No. 1

That Bill C–59 be amended by deleting Clause 33.

She said: Mr. Speaker, in the last budget, the federal government decided to reduce the age credit. As we know, all taxpayers aged 65 and over can ask for a tax credit equal to 17 per cent of $3,482 at the federal level and 20 per cent of $2,200 in Quebec.

This credit is non–refundable, that is, it applies to the tax payable; the excess portion is non–refundable but can be applied to the spouse.

The amendment made in the last budget is aimed at reducing this credit for seniors with a net income exceeding $25,921. This threshold will be indexed annually to the increase in the consumer price index, and this measure will be implemented gradually.

• (1205)

We oppose this measure because it reflects, in our opinion, a deliberate effort by the government opposite to go after the middle class, as demonstrated by the so–called social program review and by a proposal to cut UI benefits, since some recipients can earn between $25,000 and $50,000.

By targeting only those with incomes under $25,000 or $18,000—we are not against helping them, quite the opposite, as you know—by cutting off ties between those with incomes over $25,000 and those making less than $25,000, the government goes beyond simply bringing universal measures to a sudden end. It is more serious than that. Universality is not just a buzzword; it also means solidarity.

Does the government think that a senior citizen with an income of $25,000 is a rich taxpayer? Yet, it is attacking this very group, who can now enjoy themselves a little after working hard all their lives. But on $25,000 a year, you still need to manage your money carefully throughout the year if you want to enjoy yourself. It is those people who are targeted by the amendment to this tax credit.

For government that claims to be liberal to be attacking the middle class is a serious matter, because the middle class is the one largely responsible, by its work, for the financial support of government and, more importantly, the one responsible also for creating solidarity. But the middle class does not want to be the only group to pay. What is happening? Instead of reforming the tax system, as is urgently needed, the government attacks the middle class, the unemployed and the less affluent. We were non–equivocally reminded of this fact at the rally held yesterday in Montreal by community groups and central labour bodies denouncing the fact that the proposed Axworthy reform—and it is the same thing with this change to the age tax credit—attacks the middle class, the unemployed and the less affluent instead of attending to the much–awaited review of the Canadian tax system.

Let me remind you that speaking of the budget, Lloyd Axworthy himself stated in 1985, when he was—

The Acting Speaker (Mr. Kilger): I just want to remind the hon. members that, in addressing a minister, they should refer to his position: the Minister of Human Resources Development, the Minister of Finance, and so forth.

Mrs. Lalonde: Thank you for reminding me, Mr. Speaker. I have been on a long Canada–wide tour, as you know; some of the veneer of parliamentary procedure may have worn off. I do not think I will need to be reminded again.

The current Minister of Human Resources Development, who was opposition critic at the time, said it was a fact that the buying power of seniors had been cut substantially and retroactively. First the government had taken their income assistance away, and now it was taking their buying power away. As if this were not enough, they were struck a third blow with a $2 billion cut in provincial transfers by 1990. He added that it was clear the budget was an attack the income of seniors in many regards.

• (1210)

What would this same Liberal critic say, were he a critic for the opposition, not only about a so–called reform of social programs, but also about this important age tax credit? If the Liberal government wishes to maintain throughout this country, which we crossed as members of the human resources committee, the slightest faith in some fairness in the taxation system, it must move swiftly to truly examine that system, ensuring that the unemployed, the poorest and the middle class are not saddled with the burden of the deficit and the debt.

Yes there is a debt, but certain parties who remain in the background are not worried, and in fact are helping, perhaps even cheerfully, to dismantle what provided some well–being to so many such people who are slaving away, struggling, having difficulty paying their rent or affording to take a vacation. These are the people who are threatened at this time by the proposals as a whole, both for reforming social programs and those contained in this amendment. This is why we are asking the House to adopt our amendment, and thus amend the bill.

[*English*]

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I would like to address the amendment put forward by the official opposition.

It is correct that Bill C–59 will subject the age credit to an income test. Canada's debt and the burden of high taxes and interest rates it imposes on all Canadians, including seniors, demands that government spending be both fair and effective.

This measure meets that test by ensuring that assistance goes to seniors who need it but not to those with annual incomes hitting $50,000. Under the current tax system, all Canadians 65 and older are eligible for the age credit. It delivers a combined federal–provincial tax reduction of about $950 a year.

Under the proposed legislation, individuals with net incomes below $25,921 will retain their full credit. For people with net incomes above the threshold, the credit will be reduced at a rate of 15 per cent of their net incomes exceeding $25,981. The threshold will be indexed.

[*Translation*]

I would like to make it very clear that 75 per cent of all seniors, 2.6 million people, will not be affected. In addition, most of the people who are affected will continue to receive partial benefits. In fact, only six per cent of all seniors, those whose income is over the $49,134 threshold, will stop receiving benefits altogether.

It is also important to note that the reduction will be staggered over a period of more than 12 years. In 1994, the reduction would reach half of the figure that otherwise would have been set. In addition, people will still be able to transfer the age tax credit to a spouse.

[*English*]

Let me assure the House that we do not take this measure lightly. It is today's senior citizens who built this country into what is considered by many the best place in the world. Our government will never forget the obligation it has to helping seniors and why.

• (1215)

We also must remember the obligation we owe to all Canadians to restore the fiscal responsibility that makes possible lower taxes, easing in interest rates and more jobs.

The Toronto *Star* in an editorial this morning made the point that as it scrambles to cut spending Ottawa can achieve fairness only if it allocates its limited resources on the basis of real need. By itself the age of 65 is not a measure of need.

That is why Bill C–59 moves to sustain aid to those seniors who do need it but not for those with significant incomes.

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, I appreciate the opportunity of being able to enter into this discussion on Bill C–59. I want to say very clearly to begin with that I do not support the amendment which was moved by the hon. member for Mercier today. There are some very strong reasons we cannot support what was suggested.

The recommendation that came in the 1994–95 budget is certainly a policy change by the Liberal government. It is a move away from universality. Now the program is targeted and takes into consideration those people most in need of additional assistance to carry out their daily responsibilities.

As has been pointed out not only by the mover but by the hon. member from the government who just spoke, this amendment would continue universality and put back in place a federal tax credit of 17 per cent or an amount of about $3,482 for any and every taxpayer 65 or over. At this point we have to ask whether we can afford it and continue to do that.

The Liberal government and Liberals when they were in opposition argued that universality should be sustained and it should continue and that should be the policy of government forever after. They argued that when the question of the clawback on old age assistance was presented before this House in the last sitting. At that time the Conservative government made the decision that we should put a clawback in place. Now that is in place and old age assistance is somewhat more targeted toward those in need.

Now we are at the stage at which the Liberals, now in government, see that the reality of our fiscal situation is bringing us to this kind of decision making and that it is most necessary. We must be able to target government funds toward those most in need. If we supported this Bloc amendment it would revert to universality and I do not think that would be realistic in light of today's current economic circumstances.

I would like to make one or two remarks with respect to the case put forward by the hon. member for Mercier today. The hon. member said in her presentation that the change of the federal tax credit from universality to one which is targeted and institutes the clawback principle is a deliberate attack on the middle class. The hon. member went on to say that it abruptly ends universality. She said that before we do these kinds of things we should have tax reform. She said we want to keep a feeling in Canada that everybody belongs and that we should keep taxes off of the unemployed, the middle class and those most in need.

That sounds like an ideal society that a socialist point of view would certainly put forward in this House.

• (1220)

It is always the underlying premise that one is going to take away from the rich somewhere and give to someone else. One is going to transfer payments continually to look after someone else in our society. One can understand that from people who have this kind of a left wing socialist approach to life in which they think that somebody is rich, that somebody else is earning more money than they and that through government law they must transfer those earnings to somebody else they may feel is in need.

If we look at this policy here where we had the tax credit to all taxpayers over the age of 65 it will tag seniors who have retired with huge incomes. It could be $1 million or $100,000 or $200,000 a year, we were providing an extra benefit to the rich. I do not know how well that sits with someone who looks at it from a rather left wing, socialist approach as the Bloc Quebecois does.

I have been most disappointed to hear that kind of view from that party in its contribution to this House. Most likely it has made a very good replacement in some sense for the New Democratic Party which once sat somewhere in this relative position in the House.

However, we must look at reality today. The Government of Canada has a deficit of $39.7 billion. We have interest payments of $40 billion on a debt of over $500 billion and it is moving toward $50 billion per year as our debt continues to accumulate as we continue to spend. That is the way it is. Every one minute $18,000 is added to the debt. If we look at that in terms of the income of members of Parliament, every four minutes we add $64,000 to the debt of this country on to the current accumulated debt. That is adding up very quickly and we need to do something about it.

Fiscal responsibility must be part of the policy that we have in front of us here. We must recognize that the decrease in cost to the government of some $300 million is part of an expenditure reduction program that was necessary and is necessary to be used to try and keep the level of deficit down and keep the level of interest costs down so we can get this country back on a more pay as you go basis.

Bloc members do not understand that kind of language. They feel they can have it both ways. They feel they can spend here,

tell one crowd that we are going to spend and keep all these benefits for them on this hand and at the same time we are never going to have to face fiscal reality and deal with this big deficit in the country or deal with the accumulating debt of the country. Those two policies, if they were told in the same building at the same time, would look very foolish. These inconsistencies are continually presented on the floor of this House and Canadians are not buying that kind of approach.

I know the people of Quebec, as they may watch this debate today and as members of this House point out the inconsistencies of this debate that is presented, they will not buy the kind of message that the Bloc Quebecois is presenting to Canadians in this House and in the referendum that is going on in Quebec trying to present to the people of Quebec. They will not buy it. They will see the inconsistencies. They will see that it is the wrong approach to building Canada. It is the wrong approach to building any city in Quebec. It is the wrong approach to building any community in Quebec. It is not the approach that will bring fiscal accountability to Canada, nor will it bring fiscal accountability to the province of Quebec as it should.

This amendment before us is unacceptable in principle and unacceptable in terms of the current circumstances. It is unacceptable because it comes from a philosophic bent that is unacceptable to Canadians. It is one that will not build this nation of ours.

• (1225)

I encourage the members of this House to vote against the amendment because it just does not fit in terms of today's reality.

[*Translation*]

Mr. André Caron (Jonquière, BQ): Mr. Speaker, I welcome this opportunity to support the amendment standing in the name of the hon. member for Mercier, whose purpose is to eliminate one of the proposals in the bill before the House today which would involve a considerable reduction in the age credit, the tax credit for seniors. As you know, the citizens of this country are entitled to special tax relief on the basis of age. This age credit is currently set at $3,482, which works out to a reduction in federal income tax of about $610 annually for all tax–paying seniors. Combined with the credit allowed by most provinces, this adds up to about $950.

The proposal, which our amendment before the House today would eliminate, would apply an income test to the credit, so that seniors whose net income exceeds $25,921 would see the value of their tax credit go down and, in the case of seniors whose net income exceeds $49,134, disappear altogether in two years' time. Let me explain. The proposed amendment to the Income Tax Act will initially have no impact on seniors who are among the neediest in our society. Seniors with an income of less than $25,920 will not be affected. This will only have an impact on seniors with a net income between $25,000 and $50,000.

These people belong to the middle class. These are people who have worked all their lives, have saved money for their retirement and have a net income of about $30,000 or $40,000. These people are not wealthy. These are members of the middle class who have worked to enjoy a good life during their retirement. These are the people who will be hit, and that is why the Bloc Quebecois is opposed to this amendment. I heard members of other parties say: "Sure, but this tax credit also benefited people earning $200,000, $300,000 or $400,000". I think that is rather exaggerated, since the vast majority of those who will be affected are people in the middle class with average incomes.

The message this amendment sends to people, especially to seniors, is that our society does not appreciate them. The age credit provision was included in the Income Tax Act—at least, that was my understanding—to provide some recognition for people who worked so hard to build our country and who managed to save some money for their retirement, and I think the country, whether we are talking about Canada or Quebec, should recognize their contribution. I think the age credit was a way to tell them that society valued their contribution.

The other thing I see in all this is that those who want to reduce the credit believe that seniors have a fair amount of money, that there is not enough money to go around, that there is a deficit, and that everyone has to pay. But in fact not everyone in Canada pays. I think that, before we go after the incomes of seniors, we should really look elsewhere. Over the past year, and even during budget preparation, the Bloc Quebecois suggested places to the Minister of Finance where money could surely be found to replenish government coffers so that the people in the middle class and, particularly, those 65 and over in Canada could be left alone.

• (1230)

They talk about family trusts, a way for the very rich to shelter large amounts of capital from taxes. They could be a source of hundreds of millions of dollars.

There is the whole business of tax havens. You know, Canada has agreements with some 15 or 16 countries, which allow companies in Canada and other countries to spread out profits and therefore to avoid paying taxes. It is primarily in countries that welcome big multinationals where people with a knack for accounting arrange for these companies not to pay any taxes.

I think we should look at these agreements and get the money that is due to Revenue Canada—Taxation. Here again, hundreds of millions of dollars are involved. This is where we should be looking, instead of targeting people who have worked hard all their lives to enjoy decent retirements.

Furthermore, we should take another look at the real minimum tax that could be charged on the profits of major corporations. Do you know that, right now in Canada—and I think many people find it disgusting; it is a real sin—there are companies, big corporations, not paying any taxes. They make profits, but they do not pay any taxes.

Under a particular accounting policy, they can carry over losses incurred in previous years. So, in a year when they make a profit, they can carry over losses from preceding years to offset it and avoid having to pay taxes.

If individual taxpayers were allowed to do the same, I think that we might be surprised by the results. Some people earn a lot of money one year and considerably less the following year, for any number of reasons. I do not think it is that easy for individuals to carry losses over from one year to the next.

There is a great deal of money to be made with a minimum tax on corporations and at the same time this would put an end to an outrageous situation that people read about in the papers: large corporations not paying a cent in income tax while individual taxpayers are seeing $500, $600, $1,000 or $2,000 deductions taken away from them. I think there is something wrong in terms of tax fairness and, as a result, the public doubts that the Canadian tax collection process is fair and equitable.

Finally, I would like to remind you that the auditor general reported that there some $6.6 billion was currently owed to the federal treasury in Canada. For one reason or another, the tax man did not collect the amounts due. At least 80 per cent of these unpaid taxes could still be recovered. This adds up to several billion dollars.

I think that, with the assurance that all amounts due will be collected, the public would accept more readily that measures such as the one we proposed this morning, although debatable, be adopted.

But first, the federal government and the Minister of Finance must demonstrate that the Canadian tax system is really fair, that corporations pay their share, that the rich pay their share, that all those who owe back taxes pay them. I think that we must resist any further tax increase on the middle class. The middle class is large. Small amounts times millions of taxpayers amount to a lot of money in the end.

But when the most heavily–taxed middle class, whether retired or younger people, come to realize that the system is no longer equitable, this gives rise to situations where people protest and refuse to pay taxes, not because they think that it is not fair to pay taxes, but because they feel that not everyone is paying his fair share.

• (1235)

So, I hope that my hon. colleague's amendment will be passed and that plans to eliminate the age tax credit will be reconsidered as far as certain categories of seniors are concerned, in particular middle class seniors.

[*English*]

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I rise to speak against the motion put forward by the Bloc to remove means testing whereby the tax credit for seniors is reduced as their incomes go up. As I have said in the House before and will say again, members of the Bloc are not only separatists but socialists too. They always want to ensure the status quo is protected: we cannot change anything given to a group of people even though it has been shown to be no longer appropriate.

We have a fiscal crisis in the country. The finance minister is starting to recognize it. The Reform Party has recognized it for a long time and has been able to raise awareness of that fact. Now the government is coming on side and saying that we really have a problem.

The Minister of Finance promised us a tough budget with some more tax increases in the name of fairness. Some may question the fairness but they are certainly tax increases. We are going to see some cuts. The Reform Party has been proposing these for many years. We ran in the election on balancing the budget within three years. We must get the job done to ensure that our social programs for those in need are protected. That is the number one priority. After that we have to ensure that we get the budget balanced.

The motion put forward by the Bloc would suggest that we continue the old situation of taxing the poor to pay for the rich. We have millionaires in the country who spend their winters in Florida, in Mexico, in southern United States and in Hawaii because they are retired. They have large incomes and a large amount of assets. Yet we continue to give them a tax break paid through the additional taxes of young families struggling to pay mortgages, young families trying to raise children, educate them and get on their feet. These people are being focused. We are calling them the middle class and saying: "You have to pay more in order that a certain segment can live in the lap of luxury and get a tax break too".

Surely it makes sense to recognize that the elderly poor need assistance, to focus on them and to remove the credit for those who can afford to pay their share of taxes. That is what it is coming down to. We want to be really fair and not like the Minister of Finance who suggests that fairness is an increase.

We want to ensure we are fair and focus the money where it will do the greatest amount of good. We should remove the tax credits from those who can afford to do without them. It is not

pleasant. We would rather not do it but unfortunately with the situation the country is in we really do not have a choice.

We hoped the Liberal government would have acted quickly and decisively to get the job done a year ago. We are $45 billion or $55 billion more in debt, and the Minister of Finance says: "I think I am going to start this time". I do not think that is good enough, but it is water under the bridge, the horse is out of the barn or whatever. Here we are today; let us hope this time the Minister of Finance will make an aggressive start rather than continue his policy of gradualism to get the budget balanced some time down the road.

Let us get the job done. If we do not get the job done we will not only find that we have to reduce the tax credit for seniors this year but we will have to eliminate it for everybody another year. We will have to cut social programs we can no longer afford that are not only desirable but almost mandatory. However we will not have the money for them.

That is the crisis looming ahead if we do not act decisively now. I cannot understand why the Bloc would suggest that we should continue allowing this tax credit for millionaires. The point is that we must move ahead.

• (1240)

Our leader, the member for Calgary Southwest, has said quite specifically on several occasions that we are going to introduce a budget and the Minister of Finance is going to have a budget and he is prepared to debate the two of them.

The Minister of Finance is playing games again. He told us he was going to reduce the deficit to $25 billion in three years. A couple of weeks ago he said we were to have two–year rolling targets. Everybody thought that was progress until they realized that he was only going to release them one at a time. Now he is going to say: "Guess what, my two–year rolling target is $25 billion in 1996–97".

We knew that a year and a half ago. We have not moved forward. He admitted back in October when he appeared before the finance committee that things were falling apart and he had to make extra cuts between $9 billion and $15 billion to meet his goal. Interest rates have gone up even more since then. The cost of the debt has gone up even more since then. His figures are even more off track. Yet he still has a policy of gradualism.

Death by a thousand cuts is one thing I was looking at. I was looking at Bill C–59 and the number of tax increases being proposed. These are just last year's budget increases. We have not even started to get the job done. We have seen the budget reduced from $40 billion to $39.7 billion, a minuscule drop. We have seen the $100,000 lifetime capital gains exemption eliminated. We have seen extended the taxation on employer provided benefits to include the first $25,000 of life insurance. There is the age credit we are talking about today. Business meals and entertainment expenses have been reduced from 80 per cent to 50 per cent. Divisive corporate reorganizations curtail a tax avoidance tactic that allows capital gains and so on. Investment tax credits reduce the rate at which a tax credit is calculated and so on. It is death by a thousand cuts and we have not started the job.

The deficit still has not come down in any meaningful way until the Minister of Finance introduces another budget in a few weeks time. If interest rates continue to rise that will not do any good whatsoever.

Therefore, while we support the reduction being proposed in Bill C–59 that is opposed by the Bloc, we are also saying loudly and clearly to the Minister of Finance: "Get the job done". If he gets off this policy of gradualism and deals with the crisis effectively, we can say to seniors and others who depend on social programs that we recognize we have a responsibility and want to preserve social programs for those in need. If the Minister of Finance does not get the job done now and get it done quickly, these programs will be in jeopardy because the government could not get the job done.

[*Translation*]

Mr. Gilbert Fillion (Chicoutimi, BQ): Mr. Speaker, I have a duty to rise today to speak to Bill C–59, an act to amend the Income Tax Act, since this bill includes several tax provisions that were announced in the last budget almost a year ago. Consequently, I will support the amendment moved by my colleague, the hon. member for Mercier.

This bill reflects an effort to correct certain shortcomings in the tax provisions, but I am not sure that the goal will be achieved since this government managed to divide Canadians and Quebecers into several categories: the rich, the poor, and the disadvantaged.

• (1245)

Once again, the government is going after the most disadvantaged in society. It wants to take half a billion dollars from the pockets of seniors by reducing their age credit. That is really outrageous. A lack of money precludes any kind of participation in community life. Take off your masks and tell us clearly what you have in store for our seniors, a growing number of whom live in poverty.

Is this the kind of life the Liberal government has in mind for our seniors? As you know, in 1992, the average income for seniors was $18,000 a year. Furthermore, 21 per cent of seniors are low income earners living at or below the poverty level. The government now thinks that a senior with a $25,000 income is rich. The provision in this bill is based on these people's low income. It would be unconscionable to collect such amounts when there are so many ways to get more money elsewhere.

Seniors are now eligible for non–refundable tax credits. Many of them—from across Canada, I think—are very concerned that this credit might be cut or eliminated altogether. The Liberal government decided to reduce this tax credit. This amendment is aimed at reducing, for seniors with a net income of $25,921 or over, the tax credit by 15 per cent of the amount by which the individual's net income exceeds $25,900. This credit will be completely eliminated when individual income reaches $49,000.

The government wants to implement this measure gradually over two years. In other words, half of the amount calculated will be eliminated in 1994 and the other half in 1995. This measure will affect about 250,000 senior citizens. Of that number, 170,000 are considered to be on low incomes. This verges on outright injustice to seniors on average incomes, and all for the sake of an estimated savings of $20 million in 1994–95, $170 million in 1995–96 and $300 million in 1996–97. It is outrageous, when we realize that this money will come directly out of the pockets of our senior citizens.

Need I recall that the Liberals were the first off the mark to criticize the Conservatives for cuts affecting senior citizens? In fact, on June 18, 1985, when the Minister of Human Resources Development was in the opposition, he said: "The fact of the matter is that the government has substantially reduced in a regressive way the purchasing power of senior citizens. Not only has their direct income support been taken away, but their purchasing power has been taken away. As if that were not enough, a third whammy is added through reductions in transfer payments to the provinces by $2 billion between now and 1990. The Budget is clearly a multifaceted attack on the income base of senior citizens".

• (1250)

And where is the Minister of Human Resources Development, now that he has changed his tune? Now that his party is in power, the minister's policies are right in step with the same policies he used to criticize so roundly, and I am referring to the reductions in transfer payments and the purchasing power of senior citizens. This government was all about promises and a red book, but now they are in power, the red book is fading fast.

The Prime Minister is a good example. After promising he would not raise taxes, he is now leaning towards taxing RRSPs, another way to increase the tax burden on the middle class. This will lead people to put less money in their RRSPs, at a time when public pension funds are showing signs that they will be unable to meet the needs of an ageing population.

The government can get its half billion dollars somewhere else. Do something about tax evasion! Many hundreds of millions of dollars are locked up in family trusts because of tax treaties with foreign countries. The perfect tax haven.

This government has a funny way of showing its recognition to people who have worked hard all their lives. What does it want? Let senior citizens enjoy their well–deserved retirement in dignity.

Unemployment is over 10 per cent. Youth unemployment is close to 17 per cent. In Quebec, more than one million people are on unemployment insurance or welfare. The government should be doing something about unemployment, for a change. Let us restore the pride of Canadians and Quebecers by putting them back to work. The government should stop taking money from the poor, but Bill C–59 is one more step in that direction, with its measures against senior citizens.

The Bloc Quebecois condemns this bill which does nothing to help this section of our population and will merely add to the number of poor people in our society. In concluding, I want to ask the following question: Is this flexible federalism? If so, this is one more reason to get out.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

Pursuant to Standing Order 45(5)(*a*), I have been requested by the Chief Opposition Whip to defer the division until a later time.

Accordingly, pursuant to Standing Order 45, the recorded division on the question now before the House stands deferred until tomorrow at 5.30 p.m., at which time the bells to call in the members will be sounded not more than 15 minutes.

• (1255)

[*English*]

AGRICULTURE AND AGRI-FOOD ADMINISTRATIVE MONETARY PENALTIES ACT

The House resumed from February 10 consideration of the motion that Bill C-61, an act to establish a system of administrative monetary penalties for the enforcement of the Canada Agricultural Products Act, the Feeds Act, the Fertilizers Act, the Health of Animals Act, the Meat Inspection Act, the Pest Control Products Act, the Plant Protection Act, and the Seeds Act, be read the second time and referred to a committee.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, the purpose of my speech on Bill C-61 is threefold. First, I will outline what is contained within this bill and what it intends to achieve. Second, I will outline three areas of concern I have with this bill and offer some constructive alternatives to those concerns. Third, I will outline the positive aspects of increasing the monetary penalties for offences dealt with by the courts.

At this time I am not speaking either for or against the bill which leads me to wonder whether I am becoming too much of a politician. For the most part I will be asking questions of the minister. I hope the answers will explain some parts of this legislation which will help me in preparing to deal with this issue in committee and in later debate in this House.

First, I will outline the purpose of this bill. Industry associations have pointed out the need for more equitable enforcement of regulations and more equitable treatment between imported and domestic products. This bill is an attempt to apply consistent standards to both imported and domestic products and to promote the competitiveness of the agriculture and agri-food sector.

To address these concerns the food production and inspection branch has proposed an administrative monetary penalty system to decriminalize certain federal regulatory offences. This bill permits the minister of agriculture, if he is requested to do so, to conclude compliance agreements with those who commit regulatory violations.

The rationale behind these monetary penalties is to use the threat of a financial penalty to obtain compliance rather than to simply punish. The system is based on negotiating solutions to regulatory violations. Monetary penalties range from $50 to $15,000.

Bill C-61 gives the department of agriculture more options and greater authority to enforce relevant regulations. Currently most violations of regulations under these acts are treated as offences and are prosecuted through the courts.

The new system is intended to streamline the process by implementing a ticketing system at ports of entry into Canada and monetary fines for other infractions. Only the most serious infractions will end up being prosecuted through the courts as offences. One important result of this bill could be lowering the number of cases going to court. The end result of a cost saving to taxpayers is of course very important.

Bill C-61 adds to the enforcement options of certain legislation administered by the department of agriculture by allowing a system of administrative monetary penalties to be imposed for these regulatory violations. Under this legislation a violation would result in a ticket or a monetary fine.

For example, a violation could include the failure to meet certain sanitary regulations at a meat processing plant, or the mislabelling of an agricultural product. However, an offence which is considered a more serious infraction of the regulations for imported and domestic products would remain subject to prosecution through the courts. An example of an offence would be taking an animal out of quarantine and marketing it, thus endangering consumers.

Under compliance agreements administrative monetary penalties may be reduced or cancelled if the violator agrees to the actions necessary to ensure future compliance.

Monetary penalties are subject to review by a board of arbitration or a review tribunal. The system of administrative monetary penalties would apply to the following acts: the Canada Agriculture Products Act; the Feeds Act; the Fertilizers Act; the Health of Animals Act; the Meat Inspection Act; the Pest Control Products Act; the Plant Protection Act; and the Seeds Act. Certain monetary penalties already exist within the Departments of Transport and Employment and Immigration. They are also used in the United States and Europe.

• (1300)

I will outline three areas of concern that I have with this bill. I agree with the overall intent of this bill. Reformers favour streamlining a regulatory process to make it work more efficiently and reduce costs. Currently most regulatory violations are prosecuted through the courts. For the most part this a cumbersome and ineffective process. Because there are limited alternatives in the current system to enforce compliance with the law outside of criminal prosecution, minor violations and violators are often ignored.

I have three main areas of concern and I also have three questions, the answers to which could alleviate these concerns. Are the penalties set high enough to be an effective deterrent, particularly to large companies? Why have the ministerial powers been so dramatically strengthened? Why is it the sole

discretion of the minister to appoint and expand the board of arbitration and the review tribunal?

My first area of concern is the size of penalties. Are the penalties set high enough to be an effective deterrent? I agree with the goal of compliance instead of punishment, and this is positive because it will reduce the burden of the courts, but will it also increase the likelihood of violations since the consequences will not lead to criminal action?

Corporations may deliberately engage in minor infractions which are by regulation subject only to monetary penalties and not to court action. The company will therefore simply pay the penalty and in accordance with the changes made in clause 23 have its record wiped clean after five years.

For example, corporations knowingly emit more pollutants into the air than is acceptable under Canada's environmental regulations. Because the benefits to the company outweigh the costs, some companies would rather break the law, pay the minimal fine and continue operating at a maximum profit level.

A solution to this problem would be to ensure that repeat violators will be prosecuted in court. For example, a two strikes and you are out system could be implemented. This means that after a company has received a monetary penalty twice for a violation a further violation would automatically be deemed an offence and court action would be taken.

In order to strengthen the effects of regulatory violations, I would propose that the five year period for retaining records of violation as outlined in clause 23 of Bill C–61 be extended to ten years so a record of infraction takes longer to wipe away.

The second area of concern is that the ministerial powers have once again been substantially strengthened. Clause 5 allows the minister to decide what constitutes a violation subject to monetary penalty and what constitutes an offence subject to the courts.

For example, under the Fertilizers Act the minister can decide whether a violation has occurred which is subject to a maximum fine of $15,000 or whether an offence has occurred which is subject to a maximum fine of $250,000. That is a lot of power in the hands of a minister without precise legislation to guide.

In the case of a violation clause 6 allows the minister to decide who will receive a notice of violation and to determine the form and the content of that violation. Clause 7 allows the minister to make regulations that set penalties for each violation or not to impose a penalty at all. Under clauses 9 to 13 the minister may also make exceptions which would allow a penalty to be reduced or increased.

All of these situations create an opportunity for political favouritism. Companies that are friends of the government could be let off lighter than those that are not friends of the government. If clear guidelines are in place to alleviate this concern, I would ask the minister to provide them to me. If his answer is that an alleged violator can take recourse through a board of arbitration or a review tribunal, this offers me no comfort.

• (1305)

Let me explain by discussing my third area of concern, how appointments are made to these two boards. It is clear there is too much ministerial involvement in appointing and expanding the board of arbitration and the review tribunal.

Monetary penalties are imposed on the basis of absolute liability which means a penalty can be imposed without proving fault. The briefing from the food production and inspection branch of the agriculture department cites essentially regulatory nature of the violations, the relatively modest levels of the penalties and the absence of the probability of imprisonment as factors to support the use of absolute liability. In the real world, though, these penalties are large enough and can be used effectively to punish enemies of the minister.

This legislation states that if an alleged violator objects to the penalty assessment he has received, a review by an appropriate government official and by a tribunal may be requested. This is outlined in clause 9(3) which states a person may request to enter into a compliance agreement or a review by the minister or a review by the tribunal.

The practices of departmental review and review by a board of arbitration and review tribunal were in place before Bill C–61. However, clause 28 of this bill eliminates the ceiling for membership on these minister appointed boards.

Under the existing Canada Agriculture Products Act both the board of arbitration and the review tribunal can only consist of a minimum of three and a maximum of five members, all appointed by the minister.

Clause 28 of this bill allows the minister to appoint an unlimited number of members to these boards. The current process is already open to government patronage. Lifting the ceiling on the number of members to the board of arbitration and review tribunal only allows for more patronage to occur.

Here is another chance for the Liberal government to add to that list of patronage appointments that was presented in the *Globe and Mail* last week. Is this the intent of this section of the legislation?

I do not believe that there are legitimate reasons for the minister to have sole discretion in appointing members to the board of arbitration and the review tribunal. This direct and deliberate patronage can be avoided by vetting all appointments through the Standing Committee on Agriculture and Agri–Food in an open and thorough process.

Even though this is a Liberal dominated committee, at least it would provide the opportunity for open and honest discussion, the opportunity to critique the qualities of those considered for the appointment.

With respect to the elimination of the ceiling for membership on the board of arbitration and the review tribunal, if the government has a legitimate reason for removing the maximum number of members for the board, for removing the level that was set previously, I would like to know what the reasons are. I ask the minister to provide me with this list of reasons. Next week or sooner would be fine.

As stated in my introduction, the third aspect of my speech will deal with what I consider to be a positive aspect of this bill, that the monetary penalties for offences dealt with through the courts have been strengthened.

For cases involving a gross offence, the department still retains the option of criminal prosecution through the courts. In such cases administrative monetary penalties will not be imposed.

Fines proposed for indictable offences have been drastically increased. For example, clause 52 increases the maximum penalty for an offence under the Fertilizers Act from $500 to $50,000 and for an indictable offence from $2,000 to $250,000, a substantial increase. Strengthening these penalties may increase the deterrent to breaking Canadian regulations. Reducing regulatory infractions through deterrence is a positive goal.

Mr. Vanclief: Recall.

Mr. Benoit: Some members opposite are referring to recall. I would just like to remind them that the hon. member for Beaver River in early November introduced the recall bill into this House. Had the members opposite voted for that recall bill instead of against it, people in my constituency would have had the right to invoke a recall petition. Therefore, I encourage them to bring this bill up on their own to show that they really do believe in direct democracy. I would be more than happy to honour that recall legislation.

• (1310)

I have outlined what this bill attempts to achieve. I have discussed my three main areas of concern with this bill and I have outlined what I consider to be the most positive aspects of this bill.

I have one final comment on this bill. Achieving the best balance between which details should actually be included in legislation and which should be left up to ministerial discretion is often difficult. By adding more detail, which is often covered by regulation rather than in the legislation itself, a bill can limit the flexibility of implementation. This can be positive or negative. The more detail added to the legislation the less discretion the minister has in implementing the legislation. Less discretion means less power.

I believe this legislation needs more details. If it sounds like I do not trust government and bureaucracy, that is true. It has been well demonstrated in the past that it is wise to view government with a certain level of distrust. Governments have earned this reputation. This was very apparent to me this last weekend as I canvassed for the Reform candidates in Ottawa—Vanier and Saint–Henri—Westmount. Many people I talked to expressed a high level of distrust of both present and past governments.

Because I am leery of giving the government too much flexibility in implementing legislation, I will be looking for more detail to be added in third reading. I look forward to getting the answers to the questions that I have presented to the minister today and I look forward to discussing Bill C–61 in committee and in further debate in this House.

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe, Lib.): Mr. Speaker, I would like to speak on Bill C–61 which is before the House this afternoon. I wish to add my voice to supporting Bill C–61, an act to establish a system of administrative monetary penalties for the enforcement of the Canada Agricultural Products Act, the Feeds Act, the Fertilizers Act, the Health of Animals Act, the Meat Inspection Act, the Pest Control Products Act, the Plant Protection Act and the Seeds Act.

I think we are all aware of the purpose of the acts, but for those of you without agricultural backgrounds let me share with you how important they are for a poultry producer who farms near Holstein, Ontario.

The Seeds Act ensures that the seed I buy to grow feed for my chickens conforms to the prescribed standards, marked and packed and packaged labelled as required. The western growers would know what tombstone would mean to wheat production if it were able to get farther into the seed system than what it is right now.

The Health of Animals Act helps to ensure that my flock will be disease free. Within the poultry industry there is a disease called ILT, infectious laryngotracheitis. Try saying that three times. It is something that a producer would look at losing 70 per cent to 80 per cent of his flock of chickens which would be economic disaster.

The Plant Protection Act provides for the prevention of pests injurious to plant life in agriculture and forestry sectors. I think we all remember back to Ontario and the outbreak of elm disease and all the trees that had to be destroyed because of that.

The Feeds Act ensures that no person will manufacture, sell or import into Canada any feed that may adversely affect animal or

human health. In that situation with all the animal feeds we have right now which are very highly mixed, with computer technology, farmers are aware of how micro toxins can adversely affect the health of their livestock.

• (1315)

The Fertilizers Act provides that any fertilizer when utilized in accordance with directions does not contain destructive ingredients.

Finally, the Pest Control Act regulates the products used for the control of pests and organic functions of animals and plants.

As can be readily seen, the operation of my farm and its success depends as much on my ability as manager as it depends on the federally enforced standards and also supply management in my case. Without these standards and the enforcement of these standards, Canadian agriculture would be unable to compete in the global marketplace. Unable to guarantee quality, domestic and foreign markets would soon disappear.

As colleagues have noted this bill does more than impose monetary penalties. It authorizes the minister, if requested to do so, to conclude compliance agreements with individuals who commit violations. Under these compliance agreements administrative monetary penalties can be reduced or cancelled if persons agree to make appropriate corrective action to comply with the agri–food acts and regulations.

Notwithstanding the ability to assess monetary penalties the bill also provides for an independent tribunal to review such penalties in keeping with the government's belief in due process. It is important to protect the integrity of Canadian agriculture and agri–food products. This bill will strengthen the concept and the quality that is central to the Canadian agri–food industry.

I will give an example. This is probably a question that my hon. colleagues on the other side of the House would want to know. How many administrative monetary penalties does the department expect to issue this year? The estimate is that the food production and inspection branch will issue approximately 350 notices of violations. Currently it will probably prosecute 220 of these offences. We will currently and after this be able to issue administrative monetary penalties for all but a few of these offences.

As this system is more effective and efficient than prosecuting in the courts we will be able to increase our enforcement activities. In addition to the 350 notices of violations we will probably issue approximately 1,200 tickets at the ports of entry. These tickets will be issued for high risk violations by the public who try to illegally bring in meat or meat products or plants or plant products at the airports.

This problem is a serious one because of the possibility of introducing plant or animal diseases into Canada as I have previously stated.

As colleagues have noted this bill will help to reinforce the many unique things that we do in Canada which will ensure that everything from the seeds that we grow to the food that is on our table is the very best. That is what the Canadian consumer has come to expect from Agriculture Canada. This bill will affirm that quality will continue to be the foundation of Canada's agri–food strategy.

It is important to note that while classifying each infraction as a minor violation or as a serious violation or as a very serious violation with the accompanying escalation in monetary penalties imposed, it should be remembered that nothing in the bill precludes the minister from seeking greater penalties by proceeding with the infraction as an indictable or summary offence before the courts rather than as a violation. At present the department only prosecutes serious non–compliance with 90 per cent of the penalties not going to hearings.

• (1320)

The industry wants the importers to comply with the high domestic standards we have, thereby giving them a level playing field to compete on. However, it is important to reiterate that not only is there an appeal mechanism in place when the person is judged in the violation, we also have the opportunity of overturning such penalties that have been imposed.

Where the minister is satisfied that a person who has entered into a compliance agreement has complied with the said agreement, any security given under the compliance agreed by the person shall be returned.

This ability to pursue through the courts those judged to be in flagrant violation of the aforementioned acts, while treating with compassion those who comply, is one of the strengths of this legislation. The element of fairness that gives this bill its greatest strength is the balance. We all want compliance, not punishment, so the integrity of the agri–food industry is without question. The bill would give us the opportunity to maintain these standards of quality.

I would like to commend the Minister of Agriculture and Agri–Food for his leadership. The bill typifies the way the government deals with issues. With the support and assistance of the industries being regulated, the government has proposed effective changes intended to improve the operating and administrative efficiencies relating to the enforcement of the agri–food industry standards.

Taken together, the amendments to the various acts offer Canadians a comprehensive package of measures that support efforts to ensure the quality and safety of agri–food products here in Canada and around the world. For these reasons I most

heartily encourage the members of the House to support this bill.

Mr. Allan Kerpan (Moose Jaw—Lake Centre, Ref.): Mr. Speaker, in defence of my colleague from Vegreville, I feel there is a need to repeat something. I do not think the government hears us the first time. It is very important that we make our point.

I would like to ask the hon. member a question. I agree and can support the idea of less regulation when it comes to court cases or the idea of compliance. What bothers me about Bill C–61—the member mentioned it as well—is that it will give the minister far more latitude in some of the powers he has in these regulations.

What protection is built into this bill that would protect consumers and the industry from the wide–ranging powers of this minister or any other minister that may sit in the House from time to time?

Mr. Calder: Mr. Speaker, I would say the integrity of the department would go a long way to protect the individual producer. Also it would probably be underneath a vote too.

I know the hon. member has probably never been in this situation but it is like speeding down the highway. You might have been five miles over the speed limit. The police officer comes up beside him. The police officer has the right to charge him for speeding. I know there have been some instances where the police officer has said: "Listen. Don't do it again. You have 12 hours. This is a warning."

I would say that is probably a fair answer to the member's question.

Mr. Allan Kerpan (Moose Jaw—Lake Centre, Ref.): Mr. Speaker, it must be my lucky day. It seems like I have been up every half hour this morning and early afternoon.

• (1325)

It brings a concern to my mind. Like the rest of my colleagues, I have been sitting in the House for somewhat over a year now. I sometimes wonder about the priority the government puts on agriculture. Last year when we started in January we sat until almost May before we had a debate on agriculture.

This concerns me because I am a farmer from Saskatchewan. Many of the constituents who elected me in Moose Jaw—Lake Centre are farmers. Certainly most or all of them are concerned about what happens in the agriculture industry. It is a concern that there seems to be a lack of interest in the whole idea of agriculture. It is good to see that we have a number of bills before the House now that are pertinent and relevant to today's agricultural communities.

I want to talk for a few minutes on Bill C–61. Bill C–61 proposes a system of administrative and monetary policies for the enforcement of the Agriculture Products Act, the Feeds Act, the Fertilizer Protection Act and the Seeds Act. It proposes some new provisions and also various amendments to the current acts.

Basically the bill gives the Department of Agriculture and Agri–food more options and greater authority in enforcing the relevant agriculture legislation. Currently most contraventions of regulations under these acts are treated as offences and prosecuted as such. We have already said that puts a burden on the court system and is generally very inefficient.

The new system is intended to streamline the process by utilizing a ticketing system that will include AMPs but will not be treated as a criminal offence unless it is deemed serious enough.

One of my great concerns is who will deem it serious enough to be a criminal offence? Will it be the minister? Will it be a board or a tribunal that is appointed by the minister? It concerns me, if not for the current minister, but for future ministers. We have no guarantee and no protection, in my mind, that protects consumers and the industry from a minister who would want to play heavy–handed politics in the industry. That is probably my one great concern with Bill C–61. Up until this time I do not feel the question has been answered on how we will be protected from a heavy–handed minister.

I do not believe a lot of accountability is built into Bill C–61. The debate on this bill should also focus on the amount of regulation in general. Some of the regulations relevant to this bill are quite necessary.

For example, the regulations dealing with health of animals and meat inspection have to be a concern and must be a priority for government as I mentioned this morning in another speech on another subject. In areas such as these we could talk about the need for the industry to regulate itself. That is something of which the industry would be in favour and in which industry would be willing to negotiate and get involved.

Some amendments should be put forward to this bill. I can think of numerous things. Again I want to mention the idea of protection for the consumer and those involved in the industry.

Canadians want the safety that this bill will provide for them in areas like the illegal and undeclared importation of plants, plant products, meat or meat products. It is a serious concern because of the probable introduction of plant or animal diseases. Those could cost millions of taxpayers' dollars for control and elimination. When we look at a $500 billion plus debt, everyone in this House would agree that we have to be concerned and make sure that we do not spend any taxpayers' dollars than is absolutely necessary.

The current process involves prosecution in the courts which really has not been all that effective. There are also limited alternatives in the current system to enforce compliance. This bill proposes the implementation of a ticketing offence proce-

dure at ports of entry in the hope of increasing efficiency and effectiveness in dealing with this problem.

• (1330)

The second point I would like to make is that Canadians want less but more effective regulatory burden. Overall the streamlining of the regulatory process is a very worthy goal, as is reducing court costs and the associated regulatory burden.

With this process however, will there be a bottleneck and an overload of people wanting to pursue the compliance agreement process? What industries have asked for development of this legislation or something similar to it? Are there any companies out there that would be opposed to this type of legislation? If so, why?

Assuming we already agree with the regulations under the eight agriculture acts I can personally support in principle measures which would increase compliance with this legislation and the regulations.

The decriminalization of the federal regulatory offences is an important component. It would reduce the burden of the criminal court system, but will it reduce the likelihood of violations since the consequences will be less likely to include criminal prosecution? This probably would not be the case for individuals but perhaps for large corporations, if they would rather absorb a monetary penalty as opposed to a criminal penalty which could mean the loss of their licence. The compliance record would be wiped clean after five years which could make this route more appealing to some.

The examples I have developed which would likely be treated as violations could include things such as unsanitary facilities in a meat processing establishment or the mislabelling of agriculture products. Examples of a contravention which would likely be treated as a criminal offence could include taking an animal out of quarantine and marketing it, thereby endangering the health of consumers.

The main goal of compliance instead of punishment does seem agreeable. Transport Canada, by the way, and employment and immigration use the administrative monetary penalty system at this point in time.

The third point I would like to make is: How much power do we want to give to the minister? The powers granted to the minister are extensive. He may make regulations which decide what constitutes a violation and what constitutes an offence. In the case of a violation, he can decide whether it is minor, serious or very serious and set penalties for each violation. In my mind I can see a scenario taking place sometime in the future, whether it is next year or 10 years down the road where any particular minister could in effect wield power and clout that could be far beyond what he or she should be allowed to do.

I can see the possibility of this getting very political. Someone who did not support any particular party and ran a corporation for instance could be in trouble with any particular minister should that minister decide the corporation is close to the line. The minister would have the option to decide what would be a violation and what would be a criminal offence. That scares me.

Right now the minister is given the power to decide whether a contravention should be treated as a violation or an offence. The fines we have talked about. There is no need to go into the increase in fines. There is no problem with that.

The fourth point I would like to make concerns the board of arbitration. My colleague from Vegreville mentioned it and I certainly am in agreement with him. It is important that we have a board of arbitration. I would like very much before the board is appointed to have the appointees brought before the Standing Committee on Agriculture and Agri–Food for a good hard look at who these people might be.

I wonder if these types of regulations will be binding upon all, including the big players. We have seen the problem of backtracking where millions of dollars are wasted every year.

This Transport Canada system certainly has not solved the problem. Is this a reluctance to go after the major players in the industry? The railways have not been punished in the past for failure to perform their duties. This type of system is only useful if it is applied fairly and uniformly, but with so much power given to the minister there is really no assurance of that.

Let us not forget that one of the main causes of regulation violation is business frustration with the regulatory and taxation burden. Therefore, one of the best things the government could do in my mind to increase regulatory compliance is to lower the input costs for doing business, lower the tax burden and thereby increase the profitability margin. My thinking on this is that happy campers are compliant campers and they are good campers.

• (1335)

Speaking of the non–criminal remedies available to the government departments, I would ask if the minister of agriculture would offer some of his advice to the Minister of Justice who wants to make criminals out of law–abiding gun owners.

In conclusion, as I mentioned at the outset, there are some good points in this bill. For me to stand here and say that I personally would oppose this bill based on the theory would be wrong for me to do and I certainly will not do that. As I have mentioned two or three times during my speech, there are some areas we have to look at which could be subject to amendments, certainly the major one being the powers given to the minister.

Mr. Morris Bodnar (Saskatoon—Dundurn, Lib.): Mr. Speaker, comments have been made about the hon. minister of agriculture being heavy handed but there have been no specifics. The comments have been long on rhetoric but short on specifics.

With the quick resolution of the dispute over durum wheat exports to the United States, does the hon. member feel that is heavy handed on the part of the minister of agriculture? Does the hon. member consider the minister's acting to protect our supply management system in parts of Canada protecting the best food supply system perhaps in the world is being heavy handed? Does the hon. member feel that acting with due haste to make sure the regulatory system in Canada particularly in areas like the biotech industry and trying to streamline it and getting it done very quickly is perhaps another example of the minister being heavy handed?

Mr. Kerpan: Mr. Speaker, I know my hon. colleague was listening to my speech because I saw him listening to my speech. But if he had been truly listening he would have heard me clearly say that it would not necessarily be this minister, it could be any minister. It could be any minister now or in the future who could be heavy handed and could take absolute control of this regulatory process.

The member stated I was short on specifics and has asked that I give specifics. I would suggest that the Minister of Agriculture and Agri–Food has been somewhat short on action. When I look at things like the backhauling issue, and I know that will be coming up in this House very shortly, I realize this has been going on for over a year and no one has bothered to stop it. That would be my response to my hon. colleague.

Mr. John Bryden (Hamilton—Wentworth, Lib.): Mr. Speaker, I too was listening very attentively to the remarks of the member for Moose Jaw—Lake Centre. I too have a little difficulty with his suggestion that this would give too much power to the minister. He offers as an alternative the setting up of a tribunal which would look after this type of thing.

I point out to him that his party and another colleague in the House have spoken out very eloquently many times against the refugee board in another context suggesting that it is another tribunal which is a waste of taxpayers' money. Now we hear the hon. member proposing yet another tribunal which would draw on the public purse. Would he explain the economics of that for me, please?

Mr. Kerpan: Mr. Speaker, first I would like to say to the hon. member that there are certainly differences between good tribunals and bad tribunals.

The concept of the tribunal is already laid out in Bill C–61. I personally do not have a major problem with the idea or the theory of a tribunal. The concern I have is that tribunals could be very susceptible to political patronage appointments.

We have seen that. Look at the current Minister of Agriculture and Agri–Food and some of the appointments which have taken place over the past six months to a year. Look through the records. There is clearly a trend to political appointments. That is my concern with an appointed tribunal.

• (1340)

All I have said is that any proposed tribunal should go to the Standing Committee on Agriculture and Agri–Food before its members are accepted. Obviously there would be a huge Liberal majority in the standing committee. That is a given, but let us have the opportunity to discuss it.

Mr. Gordon Kirkby (Prince Albert—Churchill River, Lib.): Mr. Speaker, when the act makes reference to the minister, it does not mean the minister, it means the department. Therefore the idea that there would be some interference by the minister is completely inappropriate.

With these types of regulations the minister does not even see or become aware of their enforcement. They are handled at the departmental or administrative level. That is the first clarification we need to make.

First you indicate that there needs to be—

The Acting Speaker (Mr. Kilger): While we are on the merits of clarification, let me clarify a good rule of the House. That is to direct interventions to the Speaker.

Mr. Kirkby: Mr. Speaker, it has only been 15 months; I will be getting the hang of it shortly.

The hon. member wants a streamlined system. Right now the only way to enforce these types of regulations is through the courts. Now the hon. member wishes to set up a tribunal system which is just another court. This is in fact increasing the regulation and the steps people have to take to solve the problem.

What is being suggested here is that you cannot have it both ways. Either the system is simplified by delegating the authority to the department or it goes through the courts.

I might add that this type of process is ultimately subject to an appeal to the Federal Court which will deal with any of the concerns the hon. member has. If he still has concerns, I would like to hear them.

Mr. Kerpan: Mr. Speaker, I heard something that I will ask the member later if he would clarify it with me. He said in his comments it is the department to appoint these boards or to make these regulations. Then what would the minister's job be? Does that mean the tail should wag the dog? I think I heard something to that effect.

If the member would look at Bill C–61, he knows there is a tribunal already in place for these types of things. It is nothing

new. It is nothing that I have said should happen. It is something which came through the government.

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I heard the hon. member across the way talk about the issue of these appointments to the board. He indicated these appointments should be reviewed by a parliamentary committee.

I am wondering if he is familiar with the fact that the present House rules provide that any parliamentary committee can review orders in council that are referred to it. All orders in council are referred to a parliamentary committee which has 30 days to make such a review.

Perhaps he could tell us how many times he has availed himself of that process.

Mr. Kerpan: Mr. Speaker, I appreciate the member's comments. As a member of the Standing Committee on Agriculture and Agri–Food, I would like to have the opportunity to review these appointments at the nomination stage rather than at the appointment stage. I will keep that in mind the next time we do have orders in council. As a member of the standing committee I can ask for that.

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, I intend to support Bill C–61 in the name of my hon. colleague the Minister of Agriculture and Agri–Food.

• (1345)

Bill C–61 introduces an administrative monetary penalty system that should result in a higher rate of compliance with the regulations respecting imported or domestic agri–food products. It would also enable employees of Agriculture and Agri–Food Canada to more effectively enforce federal regulations.

Under the current system the only options available to regional inspectors are to give warnings, to seize or detain products that are not in compliance with standards, and to prosecute alleged violations in the courts. Although recourse to the courts is sometimes necessary, in most cases it is preferable not to proceed through the criminal justice system. This saves time and money.

We all know how costly the criminal justice process can be both to government and the private sector. Moreover criminal prosecution is usually considered an excessive reaction to regulatory violations as it can lead to a criminal record and imprisonment. As a result we had to find effective mechanisms that were as non–coercive as possible to bring firms into compliance with our regulations.

In my view the administrative monetary penalty system is the best approach for decriminalizing violations of the regulations. It brings these regulations into the 21st century for higher efficiency.

As the name suggests, the administrative monetary penalty system provides for a broad range of monetary penalties for enforcing Canadian regulations respecting agriculture and agri–food products. For instance, small fines would be issued for minor violations while larger penalties would be issued for more serious offences. That being said, Bill C–61 precludes criminal prosecution in cases of serious and repeated violations. However the criminal justice system would only be used as a last resort when all other options have failed.

The centrepiece of Bill C–61 is the compliance agreements that can be negotiated under AMPS. Officials representing Agriculture and Agri–Food Canada would have the authority to negotiate the terms of compliance agreements with offenders. In addition, inspectors would be able to reduce or waive fines if the offender takes the necessary steps to ensure future compliance. Inspectors would obtain assurances that corrective action would be made at the source.

In some cases this might involve upgrading a plant, replacing obsolete equipment, making changes to manufacturing processes or implementing a more stringent quality control system. In other cases proper employee training at the plant might remedy the situation. In brief the inspectors would have credible indicators that the problem would be resolved in the very short term.

The objective of Bill C–61 is not to punish offenders. In fact offenders can completely avoid penalties by taking immediate corrective action. It is clear this is the best way to achieve co–operation from violators without delays in a very precious time frame.

A monetary penalty system similar to that proposed by Bill C–61 is already being used successfully by Transport Canada and several departments in the United States. In their experience nine out of ten offenders pay their fines outright. As a result very few cases go before a review tribunal or court of appeal.

On the basis of this experience it looks in the future like Agriculture and Agri–Food Canada would be in a much better position to carry out its broader control activities.

As we know, the Department of Agriculture and Agri–Food must inspect plants and animal products imported into Canada by the travelling public. Among other things, plants, skins, live animals and meat products must be declared to protect the agri–food sector and consumers against the potential risks of exotic disease.

In addition, inspectors are permanently assigned to most ports of entry to control the safety of food products and to ensure compliance with regulations. This aspect is of critical importance for Canadian firms that compete directly with imported products.

• (1350)

The program review currently under way at Agriculture and Agri–Food Canada is clearly favourable to the implementation of the administrative monetary penalty system. It is felt that inspectors need this tool to improve the efficiency and the effectiveness of the regulatory system.

Canadian agri–food organizations feel that the new system is essential given the current context of the liberalization of trade. I should also mention that the United States, Mexico and a number of countries of the European community have already implemented monetary penalty systems. The implementation of Bill C–61 would ensure a level playing field for everyone.

To conclude, the administrative monetary penalty system would facilitate the job of inspectors and give them the tools they need to be more effective in enforcing regulations. This would improve our business relations with foreign firms and would ensure compliance of both domestic and imported agri–food products with Canada's regulatory system.

The bill ensures the fundamental controls and regulations are in place to take Canada into the 21st century. At the same time it ensures a quality and safe supply of food to Canadians.

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, we had an interesting interchange a few moments ago on the issue of appointments to boards and how those appointments are reviewed in committee.

I would be quite interested in the member's comments. When those appointments are reviewed, would she think it was better to review them at the nomination stage or at the appointment stage? If the member feels it is okay to nominate at the appointment stage, how many times have board appointments been turned down in the history of Canadian Parliament?

Mrs. Brushett: Mr. Speaker, I thank the hon. member for his question. I understand the system has been in place probably as long as the House of Commons, the Parliament of Canada.

As the hon. member recognizes, from community and municipal governments to provincial and federal governments it is necessary that citizens become involved. They should take part in the process of government. The names of those citizens come from throughout society. It has been my experience to keep a resume, as I have at the municipal and provincial levels of government, of citizens in the community who are prepared to give their time, energy and commitment to the process of fair and equitable government and to give their intelligence, which is what is required in managing the regulations and boards in our government process.

The government is prepared to receive names at any time from all citizens in society who may be prepared to participate in the democratic process.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, the whole issue of the board and how it is going to resolve disputes or complaints is very important.

Let us look at the parole board. It is an appointed body. The Immigration and Refugee Board is another appointed body. I believe the CRTC falls in the same category. There are numerous other ad hoc appointments, crown prosecutors for one. Now we are looking at an agricultural board. Each one has a similar problem.

How much more accountable is the minister without the board than the board having no accountability to the minister? The ministers across the way time and time again have stated that they cannot intervene or interfere with a quasi–judicial body and the matters are never resolved.

What makes the hon. member think this board will not suffer from the same problem that all other quasi–judicial bodies under the government suffer?

• (1355)

Mrs. Brushett: Mr. Speaker, I believe the hon. member is missing a fundamental point in the bill. The bill is classified in specific violations: a minor violation, a serious violation or a very serious violation. These violations will be classified according to regulatory personnel, the public servants of Canada. The minister, the bill and the process today which you are part of—

The Acting Speaker (Mr. Kilger): Order. When whoever is in the Chair rises, I would ask your co–operation in giving up the floor. Obviously I rise for a reason.

I want to remind colleagues once again that when addressing any issue all interventions should be made through the Speaker. As debates sometimes take on greater emotion and more passion it becomes even more important to our parliamentary process.

I would like to verify if the member for Cumberland—Colchester had concluded her remarks.

Mrs. Brushett: Yes, Mr. Speaker.

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I heard a couple of comments and I would ask for some clarification from the previous speaker.

The member said that civil servants and bureaucrats would have the opportunity to reduce and waive fines. That to me seems to destroy the whole system of credibility, trustworthiness and fairness.

If we are to allow people who break the regulations, break the law, to be able to negotiate with public servants about whether or

not they will be fined for doing so opens a whole situation for bribery, corruption and puts the whole regulatory process into question.

I wanted the member to comment on another point. She said small fines for small offences. Last year a I saw bill passed in the House that required a book publisher to send two books to the national library. Failure to do so used to account for a fine of up to $200. That was changed to a fine of $25,000 for failure to send two books to the national library.

When the member says small fines for small offences, could she clarify what she means?

The Speaker: We are running a bit tight. Perhaps the hon. member could think about the response and give it after question period. I hope I never borrow those two books at that price; it is a bit up there.

It being 2 p.m., pursuant to Standing Order 30(5), the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[*English*]

BLACK CREEK ORPHANS' PROJECT

Mr. Brent St. Denis (Algoma, Lib.): Mr. Speaker, I draw to the attention of the House the Black Creek Orphans' Project in Mbiko, Uganda. This impressive international development initiative was started by Billy Vlaad and Kristi Taylor, two of my constituents in their early twenties from Espanola, Ontario. Theirs is an example of the good news the new Governor General asked us to speak about.

While Billy and Kristi were participating in a university sponsored development project in Uganda a couple of years ago, local residents expressed a desire to see the development of a program that would instil pride and self–sufficiency among the residents and many orphans in the village of Mbiko. The Black Creek Orphans' Project assists the guardians of local orphans in setting up business ventures through a capital loans system and access to technical and business skills training. The profits from these business ventures will be used to fund educational opportunities for orphans under their care.

Mr. Vlaad and Ms. Taylor returned to Canada from the site of their project in Uganda several months ago to work on the Canadian portion of their organization. Since that time they have obtained charitable status designation from Revenue Canada. We should applaud their worthy efforts on behalf of the orphans of Uganda.

[*Translation*]

REFERENDUM ON QUEBEC SOVEREIGNTY

Mr. Gilbert Fillion (Chicoutimi, BQ): Mr. Speaker, I would like to draw your attention and that of all Quebecers to additional moneys in the amount of $5.9 million granted to the Department of Intergovernmental Affairs last autumn.

We now know what this taxpayers' money is being used for: to fund the federal government group on the referendum.

We understand why these civil servants shun the cameras, why their offices are all unmarked and why their names do not appear in the government telephone directory. They do not want people to know that they are working on federal strategy for the no side.

Yes, the Minister of Intergovernmental Affairs prefers to have his civil servants engage in a partisan struggle against the official opposition rather than work on eliminating costly duplication and overlap and on restructuring the federal public service.

* * *

[*English*]

JUSTICE

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, a year ago I asked the Solicitor General why we were not able to kick Mr. Colin Wood, a non–resident, out of Canada after he committed his first serious offence. At that time the Solicitor General responded that it was a policy that somebody convicted of an offence should serve the sentence imposed by law. He stated: "If my hon. friend's proposal were followed we would be doing the convicted foreigner a favour by getting him out of the country before he paid the penalty required by Canadian law".

Why is it that suddenly out of the blue the chairman of the standing committee on justice asked: "Why spend any money on them at all? Let us kick them out right away". Is this another example of the left hand not knowing what the right hand is doing? Is the Solicitor General now prepared to support getting rid of non–citizen criminals as suggested by the committee chairman?

When will this government get its act together and tell us what it intends to do with foreign criminals? Now is the time to act. Let us get them out of here. We do not need them. Let us make Canadians safe.

* * *

PORCUPINE CARIBOU

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, between the Yukon and Alaska the Porcupine caribou herd regularly migrates across the Canada–U.S. border. As they have for centuries, the Gwich'in people rely on the caribou for food. However, this resource is threatened by a recent Alaska legislature resolution encouraging oil and gas exploration on the calving grounds of the Porcupine herd. Thus, the herd is in serious danger.

The Prime Minister and President Clinton are on record favouring the protection of the calving grounds. When they meet next week in Ottawa they could make a strong statement of support for the protection of the Porcupine caribou herd and the survival of the Gwich'in people.

Many of us in this House urge them to do so.

* * *

VERA CLYKE

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, in honouring Black History Month and the contribution made by blacks in Nova Scotia, I wish to bring to the attention of this honourable House the name Vera Clyke. Mrs. Clyke's family came to Canada from the United States in 1860, seeking freedom from slavery and discrimination.

As choir director and organist for Zion Baptist Church in Truro, she has served faithfully since 1927, some 68 years. In 1965 she represented Nova Scotia in the Dominion Day celebrations on Parliament Hill.

On February 4 Vera Clyke was honoured by her church and community and I presented certificates on behalf of the Prime Minister, the hon. Secretary of State for Multiculturalism and the Status of Women, the hon. Minister of Citizenship and Immigration and myself, duly recognizing her leadership, her community participation and model citizenship.

By all community standards Vera Clyke is an outstanding Canadian, and at the age of 86 she continues to play the church organ.

Today I salute Vera Clyke and other Canadians like her who have laboured a lifetime to make their community richer just for living there.

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FINANCIAL INSTITUTIONS

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, I rise in the House today to congratulate my hon. colleague, the Secretary of State for Financial Institutions, for the proposals released in his white paper.

By ensuring that supervisory and regulatory systems governing financial institutions are brought up to date, the Government of Canada will ensure the system is more effective. We will continue to have the confidence of the Canadian people as they will have greater access to information and a fiscally responsible method of ensuring that their rights as financial consumers are protected.

By addressing those elements of our financial system that need closer scrutiny and by preserving those aspects that have served Canadians well, the proposals outlined in the white paper will build on the positives and minimize the negatives.

I applaud the call for enhanced disclosure of financial information, earlier intervention in problem institutions, increased protection for policy holders and a stronger framework within which systemic risk will be controlled.

These proposals will work to strengthen Canada's financial system and demonstrate our government's commitment to the financial security and well–being of its citizens.

* * *

• (1405)

[*Translation*]

QUEBEC SOVEREIGNTY

Mr. Roger Pomerleau (Anjou—Rivière–des–Prairies, BQ): Mr. Speaker, in stating that a sovereign Quebec would not be part of GATT and NAFTA, the Prime Minister has once again, for lack of other arguments, resorted to scare tactics. With his remarks, the Prime Minister is increasing the risk that his own people of Saint–Maurice will be isolated.

The Prime Minister is also going against the interests of the rest of Canada for which maintaining trade with Quebec will continue to be an unavoidable necessity. The most recent poll by Léger & Léger indicates that nearly 60 per cent of English Canadians would want to maintain economic ties with a sovereign Quebec.

Nor is there any doubt that provisions under GATT and NAFTA will effectively apply to a sovereign Quebec, the second most important trading partner for the rest of Canada and the eighth most important for the United States.

Would the Prime Minister care to explain why he so prefers Valparaiso, Chili to Shawinigan, Quebec?

* * *

[*English*]

ELECTRONIC TOWN HALL MEETING

Mr. Hugh Hanrahan (Edmonton—Strathcona, Ref.): Mr. Speaker, Reformers have done it again. Last night marked our third cross–Canada live interactive electronic town hall meeting which generated more than 10,000 calls.

Ninety–four per cent of all callers favoured spending cuts over tax increases. Ninety–six per cent favoured legislation to cap federal tax levels. Ninety–five per cent stated unequivocally that taxes are too high.

This echoes what the Reform Party has been saying in this House for more than a year and we have been continuously ignored by this government.

I hope, as do all Canadians, that the Prime Minister and the finance minister take their heads out of the sand and start paying

attention to what real Canadians want. Canadians are fed up with taxes and with government mismanagement.

I challenge the finance minister to—

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

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ABORIGINAL AFFAIRS

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, the federal government, particularly the Minister of Health and the minister of Indian affairs, has an obligation to respond quickly to the recommendations made by the royal commission on aboriginal peoples in its special report on suicide among aboriginal people released last week.

The royal commission argues that there has been a steady stream of studies and reports by aboriginal and non–aboriginal analysts over at least 20 years which has called attention to the problem of suicide among aboriginal people but there has been little result. The studies and reports have presented a long march of compelling evidence that aboriginal people have been dying by their own hands much too often and for far too long. Yet Canadian governments have never made suicide prevention a high priority issue for themselves.

The royal commission's recommendations stress the urgency of this significant matter. This time the federal government must respond quickly and adequately to ensure that the long process of healing can finally begin.

* * *

BORDER CROSSINGS

Mr. Harold Culbert (Carleton—Charlotte, Lib.): Mr. Speaker, the majority of my Carleton—Charlotte constituency lies along the 49th parallel between New Brunswick and the state of Maine. There are ten regular border crossing points in Carleton—Charlotte. As I am sure you can appreciate, Mr. Speaker, there are many family ties on both sides of the border.

The citizens of Campobello Island, who are Canadians, must cross the U.S. border twice, first at Lubec, Maine and then drive an hour through the American state and cross again at Calais to arrive at major services in St. Stephen and Milltown, New Brunswick.

The recent proposal by President Clinton suggesting a fee be charged per person and per vehicle entering the United States is both unreasonable and unwarranted.

This proposal would foster unfriendly relations between the two countries which have enjoyed friendly relations for many years. I encourage the Prime Minister and the Ministers for International Trade and Foreign Affairs to address this proposal at once and if necessary again during the President's upcoming visit to Ottawa.

* * *

JAPAN

Mr. John Maloney (Erie, Lib.): Mr. Speaker, on January 17 of this year a massive earthquake ripped through central Japan, killing nearly 5,000 people, leaving 25,000 injured and 300,000 people homeless. This is a tragedy of unimaginable proportions.

I would like to offer the sympathy and support of the people of the Erie riding to the people of the Hyogo Prefecture.

Like all Canadians I was glad to hear that Canada was sending assistance and I commend the Prime Minister for acting quickly to lend support to Japan, a good friend and trading partner.

Canada has helped to set up short term housing and provide basic necessities. Canadian engineers are aiding in the assessment of damaged buildings to help the Japanese and other governments to put forward building codes and regulations which might ensure the survival of buildings and structures during future earthquakes.

I believe the Canadian government has shown the true heart of Canada in its quick response to this disaster. This true and honest desire by all Canadians to help those in real need is something that we as parliamentarians should never forget.

* * *

• (1410)

CANADIAN FLAG

Mr. Jesse Flis (Parkdale—High Park, Lib.): Mr. Speaker, 30 years ago on February 15, 1965 the national flag with the distinctive maple leaf was first raised on Parliament Hill by the then Prime Minister, Lester B. Pearson.

Since that time our nation has grown to become one of the world's leading democracies. Canadians are known as a compassionate people, ready to respond when natural disaster strikes or war torn regions need help to keep the peace.

Our flag is a symbol of Canada. I encourage all members of this House to support the official federal proclamation of February 15 as Canadian Flag Day, not as an official holiday but as an annual day of recognition.

The Canadian flag is more than just a piece of cloth. It stands for peace, harmony and freedom. It stands for you, Mr. Speaker. It stands for me. It stands on guard for thee.

[*Translation*]

SOCIAL PROGRAM REFORM

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, at the very moment the Minister of Human Resources Development was confirming his reform would follow its course, thousands of students, workers and individuals from social groups in Quebec were vigorously demonstrating, despite the perishing cold, their opposition to his reform of social programs. With one voice, they told the minister they had had enough cuts in social programs and they would not let young people be the main victims of the battle with the federal deficit.

They denounced the minister's double talk about wanting to provide Canadians with training and education, while raising educational costs, thereby limiting access to higher education.

The students warned the federal government, finally, that, by always cutting in the same spot and by always targeting the same people, it was confirming the belief widely held among ordinary people that there is no tax equity in Canada.

* * *

[*English*]

BYELECTIONS

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, as I speak three byelections are happening in Canada. I would like to congratulate the three excellent Reform candidates and their teams for the quality campaigns they have undertaken for Reform and against higher taxes and Liberal government mismanagement.

In Brome—Missisquoi, Line Maheux showed Quebecers a better option than the status quo, do nothing approach of the Liberals or the pack up and quit proposal of the Bloc.

In St. Henri—Westmount, Gaétan Morency was the only candidate who correctly identified Montreal's depressed economy as being the result of high taxes which lead to fewer jobs. Morency proclaimed that red book economics are a disaster in Montreal.

Here in Ottawa—Vanier, Kevin Gaudet is catching the eyes of worried voters who know that the Liberals tax everybody for all their worth and make cuts only at the bottom to save their own hides.

Thank you, Maheux, Morency and Gaudet for taking Reform another step closer to sweeping out the Conservative–Liberal debris so that we can build a new and better Canada.

[*Translation*]

QUEBEC SOVEREIGNTY

Mr. Eugène Bellemare (Carleton—Gloucester, Lib.): Mr. Speaker, the spokespersons for the sovereignty commissions are increasingly confusing Quebecers.

Mrs. Monique Vézina, chair of the seniors' commission, stated in Hull last Thursday that the federal government would continue to pay pension benefits to federal public servants after Quebec's independence.

That statement contradicts what the question and answers manual for perfect sovereignists says. On page 23 of the separatist booklet it says that the Quebec government, not the federal government, will clearly promise to acknowledge the vested rights of federal employees from Quebec, including their accumulated rights to a pension.

Today, federal public servants from the Quebec side of the Outaouais region are left wondering whether the many contradictory promises they have been made will ultimately be worth anything.

It is the duty of the PQ and the Bloc to tell federal public servants from Quebec the truth.

* * *

[*English*]

TOURISM

Mrs. Sue Barnes (London West, Lib.): Mr. Speaker, tourism is the world's fourth largest industry. To promote the growth of Canada's tourism, the Minister of Industry recently announced $50 million of federal funding for the National Tourism Commission, chaired by a former member for London West, the hon. Judd Buchanan.

A welcomed partnership between industry experts and federal, provincial and territorial governments, this commission will work to improve Canada's performance in this promising segment of our national economy.

Canadian tourism has the potential to be our richest resource. We have a beautiful country to enjoy and to share with our visitors. It is time to reverse the tourism deficit which amounted $7.9 billion in 1993. Tourism creates jobs for Canadians; more than 590,000 in over 60,000 businesses across the country.

• (1415)

I was grateful for my first employment which was in the tourism industry. Colleagues should assist tourism. Canadian tourism can be part of the good news.

Oral Questions

THE ECONOMY

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, over the weekend I was happy to read the details of another Reform convert.

The premier of British Columbia is now talking like a responsible Reform member as he spells out $9.3 billion in federal spending reductions. Many of these ideas were borrowed from Reform, such as the elimination of regional development departments and transport subsidies.

While it is true the premier has not shown the same type of financial restraint in dealing with B.C.'s deficit problem, it is encouraging to note he appears to have had a change of heart.

Reformers and the premier of British Columbia are advocating a plan of sound spending cuts and zero tax increases to get the country back on the road to fiscal health. If we can now drag the government and other provincial players on to the Team Canada deficit reduction bandwagon, we will be sending a strong message of unity and commitment to international financial institutions.

ORAL QUESTION PERIOD

[*Translation*]

NATIONAL DEFENCE

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, following the recent revelations concerning the existence of a third videotape involving the airborne regiment in Petawawa, the minister of defence gave one press conference after another and said that the situation was totally bizarre. Obviously overtaken by the events, the minister has lost control of his department.

Now that the minister has decided to dismantle the 2nd Airborne Regiment, are we to understand that the removal of Major–General Vernon, who was designated as scapegoat, constitutes phase II of the minister's strategy to bury the Petawawa powder keg without getting to the bottom of this matter?

[*English*]

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the chief of defence staff today relieved Major–General Vernon of all of his responsibilities as commander, land forces command which is in effect Ontario central command.

He did this because General Vernon was the author of a report to the chief of the army, Lieutenant–General Reay, to General de Chastelain and myself concerning the activities of the airborne regiment with respect to what has become known as the second video.

The three of us were misled. As a result the chief of defence staff, who is the one responsible for all disciplinary measures within the Canadian Armed Forces, has taken the appropriate action today.

[*Translation*]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, can the minister of defence tell us if the decision to relieve Major–General Vernon of his duties is based solely on the fact that he played down the contents of the third videotape or if, following his recent investigation, the minister has learned other, more serious facts of which he had not been informed?

[*English*]

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I answered that question. I quote from the chief of defence staff that the reason General Vernon was removed from his duties was because the report, which I have just mentioned, contains inaccurate and misleading information that caused the chief of defence staff to misinform the Minister of National Defence.

[*Translation*]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, can the minister of defence tell us if, in addition to removing Major–General Vernon, the minister intends to take disciplinary measures against other Petawawa officers, including those who attended or took part in the events recorded on the videotapes?

[*English*]

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, all of the activities contained in the videotapes with respect to the airborne regiment are now being investigated by the military police.

* * *

• (1420)

[*Translation*]

SOCIAL PROGRAMS

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot, BQ): Mr. Speaker, my question is for the Minister of Finance. In anticipation of the federal–provincial meeting of finance ministers scheduled for tomorrow, the provinces have cautioned Ottawa against the temptation to cut federal transfer payments to the provinces, thus irresponsibly shovelling its deficit into their back yards. The provinces clearly refuse to be left holding the bag as Ottawa withdraws its financial support for social programs.

Will the Minister of Finance undertake tomorrow to transfer to the provinces not only the responsibility for social programs, but also adequate fiscal resources to fund these programs?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I discussed with the provincial finance ministers ages ago the fact that we would not do as the previous government did and cause surprises. And we certainly have no intention of causing any surprises tomorrow.

We have a deficit at the national level. The provinces certainly realize it and they have asked us to really start cutting from our end, which we intend to do. I think the system needs to be changed at the national level, at the provincial level. Everybody agrees on this and that is what we intend to do.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, does the Minister of Finance recognize that, as the Saskatchewan finance minister suggested, it would be hard and appalling for Ottawa, following an eventual withdrawal, to ask the provinces to cut social program spending while at the same time imposing national or Canada-wide standards, whatever they are called?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I must tell you that the vast majority of provinces certainly realize the situation this government is in. In fact, several of them are facing exactly the same situation. But at the same time I think there is a realization that we all have to work together.

Allow me to quote the Premier of Newfoundland, who said this morning that potential cuts in transfer payments worried him, but that he would support these cuts because what matters above all is that the national government put its fiscal house in order. I think that Mr. Wells is voicing an opinion that I have heard from the vast majority of the other provinces.

* * *

[*English*]

THE BUDGET

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, in an interview over the weekend, the finance minister said that any tax hikes in this month's budget will be taken from the top first. What Canadians want is for the government to start at the top with spending cuts, not tax increases.

For example, the government is going to spend $12 million to build an office tower in Sault Ste. Marie, a city that already has one of the highest vacancy rates in the country.

Why does the finance minister continue to propose tax increases when there is still so much visible waste and inefficiency in government spending? Why not wring that inefficiency and waste out of the government before they wring more dollars out of taxpayers' pockets?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the government is very conscious of the degree to which Canadians feel they bear too great a tax burden.

The government is also very much aware of the degree of waste that exists in any large institution and certainly within the institution of government. That is why over the course of the last budget we did not increase taxes. It is the first time in a long time that has happened.

It is also the reason the Minister responsible for Public Service Renewal has worked so hard along with the President of the Treasury Board to eliminate waste in the operations of government and why we have been able to make, over the course of the year, a series of announcements on the elimination of boards and commissions that have waste.

This is one case where action speaks louder than words. We have demonstrated very strong action.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, this wringing of waste has a long way to go. Twelve million dollars for an office building in Sault Ste. Marie is just the tip of the iceberg. Many federal bureaucrats are trying to blow out their remaining budgets before the end of the fiscal year.

Both the department of furniture and oceans and the department of public works are spending $10 million on unnecessary computers—

Some hon. members: Oh, oh.

• (1425)

The Speaker: I am sure the hon. member inadvertently mentioned another department.

Mr. Manning: Mr. Speaker, I am sorry. The Department of Fisheries and Oceans and the department of public works are spending close to $10 million on unnecessary computer upgrades; over $15 million is earmarked for getting a fax machine on virtually every public servant's desk. That is $37 million in unnecessary expenditures right there.

My question is for finance minister. In the name of common sense and in the name of taxpayer relief, will the finance minister order an immediate freeze on such unnecessary capital expenditures until the budget is balanced?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib): Mr. Speaker, I can assure the hon.

member, and this will become very clear in the budget, that both the Minister of Fisheries and Oceans and the minister of public works have gone at their departments very hard in terms of waste and the kind of unfortunate management practices they inherited from a previous government.

I hope the leader of the third party will support all members of cabinet who have gone at their departments tooth and comb, line by line, to eliminate the kind of waste that we inherited as a result of the activities of the previous government.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, if the ministers are going after waste and inefficiency with the vigour that the finance minister suggests, why do we continually, day after day, see these illustrations such as the office building in Sault Ste. Marie and the unnecessary computer expenditures?

If there has been this huge, deep, passionate commitment to eliminating waste, why do these instances continue to show themselves day after day after day?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, to be an effective member of Parliament one must have all the facts.

The hon. member opposite has forgotten to share with the House the fact that the building which is to be constructed in Sault Ste. Marie will save the taxpayers of Canada $500,000 per year in operating costs.

It is becoming a common occurrence with the hon. member that he stands in his place and gives certain information which I would suggest is somewhat inaccurate. The software to which the hon. member refers will save the government $4.6 million.

* * *

[*Translation*]

FOREIGN POLICY

Mr. André Caron (Jonquière, BQ): Mr. Speaker, my question is for the Minister of Foreign Affairs. In its statement of policy last week, the government set human rights as a matter for priority action in its foreign policy. It is therefore not clear why Canada is not speaking out on the intensified intervention of the Mexican army in Chiapas.

How could the Canadian government close its eyes to what is happening in Mexico, one of its principal economic partners, as the army is bombarding civilian groups in an attempt to stop the Zapatista movement?

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, the government's eyes are wide open and watching the events in Mexico very closely. Clearly, we do not want this situation to end in reprehensible acts of violence. We have always advocated moderation and particularly efforts at conciliation between the parties in order to bring about a peaceful solution to the crisis in Chiapas.

The Canadian government's position is well known, and I cannot accept the comments by the hon. member, who is well aware of the government's position and is trying to make political points over a very serious situation.

• (1430)

Mr. André Caron (Jonquière, BQ): Mr. Speaker, that is why we are here, to make political points.

How can the Canadian government, which claims to be concerned about human rights, allow the Mexican authorities to deny access to the press in the areas of conflict and does it intend to intervene directly with the Mexican government in order to promote respect for human rights in Chiapas?

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, I thank the hon. member for his candour. It is very clear why he is in politics, and I find it absolutely reprehensible.

The situation in Mexico is serious. A remarkable job is being done by Canadians, working through non governmental organizations, with the support of the Canadian international development agency and Canadian groups promoting peace and the protection of individual rights and freedoms. I believe the hon. member knows perfectly well that everyone working there has the support of the Canadian government.

* * *

[*English*]

CANADIAN ARMED FORCES

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, the airborne regiment was tried, convicted and sentenced by the media. The Minister of National Defence carried out the execution.

Unquestionably, the airborne has suffered from command and control problems, but Canadians' sense of fair play does not support the punishment of a whole regiment for the unacceptable actions of a few. They recognize, as does the minister, the continuing need for a quick reaction force.

There is a compromise available. Will the minister consider the following course of action: suspend airborne operations rather than disband the regiment, then suspend all courts martial and proceed immediately with the promised public inquiry and finally, decide the fate of the airborne after a full hearing based on—

The Speaker: My colleagues, in the questions if we could have a question and a very short added question, but surely not three. I would ask the hon. minister to answer the first two questions.

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the Canadian Airborne Regiment was disbanded for the reasons given a couple of weeks ago. There will be no reconsideration of that decision. It is firm, it is fixed and it is final.

With respect to the airborne capability to which the hon. member refers, that can be discharged in any number of ways. General Reay, who is in charge of land forces, has been tasked to come up with alternative arrangements to ensure there is the airborne capability in the armed forces.

Last, I have repeated this so many times. A full inquiry which will be public and will be headed by a civilian will look into all the matters concerning the deployment of the airborne to Somalia in 1992 and 1993. That will begin as soon as the last court martial is terminated.

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, it is now clear that the hazing rituals are not limited to the airborne. They exist in the parent regiments. They exist in the navy. The so–called systemic troubles for which the minister disbanded the airborne are widespread.

Will the minister accept that leadership from the top and not behaviour at the bottom is the real problem in the Canadian forces, or does he eventually plan to disband his whole department?

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I think the unfortunate events shown in the videos relating to ceremonies involving the airborne have enlightened Canadians, perhaps somewhat in a negative way, as to some of the traditions in the armed forces.

Another tape was released a few days ago. I am glad the navy was quick to correct the record. It felt that ordinary members of the public would have the reaction I had which was that at first blush it seemed to be quite offensive. It corrected that impression.

Because of all of these questions that have been raised, the chief of defence staff will be bringing all of the commanders to Ottawa this week to talk about these matters: what is permissible, what is not permissible; what is in the military tradition and what is not. Once he has a chance to talk with the commanders and they then inform the troops under their command across the country, this matter will come to rest.

* * *

[*Translation*]

CONTAMINATED BLOOD

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, my question is for the Minister of Health. Johanne McDuff's book published in French under the title *Le sang qui tue* presents damning information about the events in the early 1980s which led to the contaminated blood tragedy. Several hundred hemophiliacs contracted the AIDS virus as a result of incomprehensible stalling and irrational acts on the part of federal authorities.

• (1435)

Given the overwhelmingly negative report by the expert working group attached to the Krever Commission and the facts presented in Johannne McDuff's book, does the minister intend to take immediate and concrete measures to avoid repeating the errors of the past?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, you will understand that I cannot comment on past events investigated by Justice Krever. But I can say in this House to the people of Canada that, since I have been minister of health, we have done everything possible to ensure the safety of the blood supply system.

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, can the Minister of Health explain why the country which, by her own account, allegedly has the best blood supply system in the world is still not authorized to send its blood products to the United States for processing because American authorities still maintain that they do not meet the required quality standards?

[*English*]

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, when it comes to shipping blood products to the United States, we are working very closely with the U.S. authorities in order to harmonize the regulations and that we take the best of both systems. That is what we are doing at this time.

* * *

ORDER IN COUNCIL APPOINTMENTS

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, last week in this House we were talking about patronage and the Prime Minister said: "If the hon. member can prove that the person is incompetent, we will not give him or her that job".

Last week we were talking about Bill Callahan's appointment to the CRTC. In just three years Mr. Callahan ran a 100–year old newspaper into the ground—

Mr. Speaker: The preambles to the questions, my dear colleagues, seem to be getting a little bit longer. I would ask all hon. members to please try to make the preamble a short sentence or two and then into the question. The same with the answers.

The hon. member for Fraser Valley West, his question, please.

Mr. White (Fraser Valley West): Mr. Speaker, we found that Mr. Callahan in fact is not an objective individual.

Will the Prime Minister keep the promise he made in the House last week and remove Bill Callahan from his post at CRTC, or is this Liberal government still intent on mimicking the Conservatives?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, every single order in council appointment is subject to the review of the appropriate parliamentary committee.

Mr. Callahan's name was brought before the parliamentary committee. The member had an opportunity at that time to make any statement, however slanderous, he might choose to make. He chose to remain silent through that 30–day period.

I have only to ask him the question: Why did he not bring these alleged facts to light rather than slandering this individual here on the floor of the House of Commons?

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, I guess it is our privilege to ask the questions here. Rather than use the word "slander" I would use the word "hypocrisy".

Now we are hearing about another prominent Liberal who is in line for the plum of the week in my province of British Columbia. Can the Prime Minister explain specifically what May Brown's qualifications are for the position of Lieutenant–Governor, besides being campaign manager for the current Liberal leader and campaign manager for John Turner of all people?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, another hypothesis by the member which does not deserve an answer.

* * *

[*Translation*]

TAX LOOPHOLES

Mr. Richard Bélisle (La Prairie, BQ): Mr. Speaker, my question is for the Minister of Finance.

The government is on the verge of paying oil and mining companies the contested $1.2 billion they claimed through tax loopholes in a case that has dragged on for 21 years. The minister says that he does not want to upset anyone. Does he have to wait 21 years to avoid upsetting people?

• (1440)

In addition to this case, which the federal government says it wants to settle soon, it is on the verge of paying out millions of dollars, because the income tax payable by these companies is still in dispute.

The Speaker: I would ask the hon. member to ask his question immediately.

Mr. Belisle: On the eve of the budget, Mr. Speaker, how can Canadian taxpayers trust the Minister of Finance, who is taking no concrete measures to settle this dispute and whose inaction will cost them millions of dollars?

[*English*]

Ms. Susan Whelan (Parliamentary Secretary to Minister of National Revenue, Lib.): Mr. Speaker, as the hon. member knows, we cannot comment individually on any specific taxpayers. Many resource companies will be entitled to refunds as a result of the 1992 decision of the Federal Court.

[*Translation*]

Mr. Richard Bélisle (La Prairie, BQ): Mr. Speaker, how is it that the minister so ably imposed billion dollar cuts to the unemployment insurance system but is unable to settle tax disputes that cost hundreds of millions and benefit big business?

[*English*]

Ms. Susan Whelan (Parliamentary Secretary to Minister of National Revenue, Lib.): Mr. Speaker, as I just informed the hon. member, there is a procedure we go through in dealing with taxpayers. We cannot comment on individual situations. They are dealt with accordingly and changes are made accordingly.

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HAZARDOUS PRODUCTS

Mr. Rey D. Pagtakhan (Winnipeg North, Lib.): Mr. Speaker, my question is for the Minister of Health.

Last year alone, the lives of six Winnipeg children could have been saved from house fires had the previous government fulfilled its promise to require cigarette lighters to be made child resistant.

When will the minister implement tough regulations to prevent further injuries and tragic deaths among Canada's children?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, in order to address this very serious problem, I have asked the officials in my department to draft amendments to the regulations under the Hazardous Products Act concerning safety of disposable lighters.

These amendments will be published in part I of *The Canada Gazette* within the next few weeks. We expect these regulations to be in effect as of the middle of the summer. Disposable lighters sold in this country will have to be childproof. Meanwhile we have launched a program of awareness to ensure that caregivers are aware of the dangers of these disposable lighters.

THE ENVIRONMENT

Mr. Bill Gilmour (Comox—Alberni, Ref.): Mr. Speaker, located in Sydney, Nova Scotia is what has been described as the worst environmental disaster in Canada, the Sydney tar ponds.

Over the last nine years both the federal and provincial governments have been working on an incinerator to burn over 700,000 tonnes of toxic waste which includes PCBs and a deadly brew of various hydrocarbons. Nine years and $55 million later, the project still does not work.

Can the environment minister justify why the people of Sydney, Nova Scotia now have the highest cancer rate in North America and the government waste, mismanagement and inaction on the cleanup of this toxic cesspool?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, I am glad the member has brought to the attention of the House that indeed there is an investment of $55 million to clean up tar ponds that obviously took many years to build up.

As one whose grandfather was born there I know the sacrifices of the people in the Sydney area. I know the sacrifices of industrial workers who have lived with pollution for eight decades of this century.

The Sydney tar ponds cleanup is proceeding. The level of incineration at the moment is being examined regularly to ensure that the health and safety of the people in the area is not affected. We hope the cleanup of this mess will not take the decades it took to accumulate.

Mr. Bill Gilmour (Comox—Alberni, Ref.): Mr. Speaker, I would disagree with the minister. Her own project manager says the project does not work. It is going to have to go out to private tender to make it work.

The Canadian Council of Environment Ministers agreed to a set of environmental guidelines for the burning of toxic waste. Both the Nova Scotia minister and the federal minister are signatories.

Can the minister explain why the Sydney incineration permit completely disregards these guidelines? The permit allows levels 10 times higher than those allowed in the guidelines.

• (1445)

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the Sydney emission levels are below the levels that were set by CCME. The Sydney levels not only meet the current Nova Scotia guidelines but also the guidelines established by the CCME.

[*Translation*]

INDIAN AFFAIRS

Mr. Claude Bachand (Saint–Jean, BQ): Mr. Speaker, my question is for the Minister of Indian Affairs. According to audit reports that the minister received on census surveys of aboriginal people living on reserves, the government continues to use incomplete, unreliable and questionable data, to quote the exact terms used in the reports. In June, the opposition brought this situation to the minister's attention.

Will the minister tell us whether Statistics Canada's census takers will have access to reserves in the future in order to take exact population counts, since grants for aboriginal people are calculated on a per capita basis?

[*English*]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I am sure after 15 months the hon. member knows this. Most of the social programs we do on First Nations are not based on Statistics Canada figures. When we build a school, we go in there and count the number of students, whether it is an elementary school or a high school in some cases. Or, the Minister of Health will go in there with Operation Head Start. If it is a health facility the same applies.

The only time we use statistics is when we fund tribal councils but we do not use those of Statistics Canada. Again we go in and count the numbers on site. This is the way it is done. The Statistics Canada figures are a tool that I use to check what we are doing, but no more or no less than a tool.

[*Translation*]

Mr. Claude Bachand (Saint–Jean, BQ): Mr. Speaker, as the minister admitted himself, he uses statistics for certain programs.

Can the minister explain why eight months have gone by since he agreed that adjustments should be made, yet no corrective measures have been taken to ensure that the calculation of grants for bands are based on exact population counts of aboriginal people?

[*English*]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, after my friend raised this matter the last time, which was several months ago, I believe I directed the staff that once a year where we use statistics the band officer provides us—there are 605 First Nations—with a statutory declaration of the actual numbers.

Again this is another tool, but it is not primarily what 80 per cent of the services with aboriginal people are based on. They are based on actual counts between the regional director gener-

als and the people in the field who know whom we are dealing with. If we do not, we should not be in there.

* * *

GUN CONTROL

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, last June I asked the justice minister to undertake a national study to determine the source of firearms used in criminal activities. Despite assurances by his parliamentary secretary eight months later Canadians are still waiting.

Three months ago I put a question on the Order Paper asking how many registered gun owners used their guns in the commission of a crime anywhere in Canada.

My question for the Minister of Justice is simple. By its own admission the government has no comprehensive statistics on which if any of the more than 1.2 million registered guns in the country were used for criminal activity. Therefore how can he defend spending millions of dollars on gun registration as a solution to crime when he has no proof that the legal owners of firearms are part of the problem?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, when Canadians want advice on matters of health they go to physicians. When they want to know about the law they go to lawyers. When Canadians want advice on what to do about crime and community safety they go to the police.

The police in the country have for 10 years been calling upon the federal government to introduce a national system of registration. As recently as last summer the Canadian Association of Chiefs of Police passed a resolution exactly to that effect. I take that as pretty solid advice.

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, I thank the justice minister for the answer.

I do not know whom he has spoken with but over past months I have spoken with and listened to a number of police officers both in my riding and across the country. I have yet to find a police officer below the rank of superintendent or chief of police who believes universal gun registration will do anything to prevent crime.

• (1450)

For the minister's plan to work it must have the support of rank and file police officers whose lives are on the line. Could the minister provide the House with evidence of their support?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, in the past the Canadian Police Association has spoken to this issue. I can tell the hon. member that in the past the Canadian Police Association has passed resolutions favouring universal registration.

May I also point out that in Edmonton last fall when this very controversy broke out and the police force, the constables, not the chiefs, were asked, 60 per cent in a plebiscite favoured registration of all firearms.

* * *

FOREIGN AFFAIRS

Mrs. Carolyn Parrish (Mississauga West, Lib.): Mr. Speaker, my question is for the Minister of Foreign Affairs.

Canadian participation in the United Nations mission in Haiti demonstrates our commitment to restoring democracy in that country. Could the minister tell us exactly what Canada's contribution to the UN mission in Haiti will entail?

[*Translation*]

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, I am pleased to convey to the hon. member, in this House, the Canadian government's commitment to democracy in Haiti.

First, a group of Canadian police officers have trained Haitians who will be called upon to perform civil police duties in the coming weeks. Second, a Canadian Armed Forces contingent will join in the peacekeeping operations as soon as the UN decides to send out a peacekeeping contingent to replace the multinational force presently serving in Haiti.

The Government of Canada has launched a program to support the Aristide government by investing substantial amounts in helping non governmental organizations provide what is referred to as basic care and essential services to the people of Haiti.

Mr. Philippe Paré (Louis-Hébert, BQ): Mr. Speaker, my question is for the Minister of Foreign Affairs.

Almost a year ago, the Government of Vietnam threw Tran Trieu Quan, a Canadian citizen, in jail without laying any charges against him. Last December, Hanoi, through the good offices of Canada's Department of Foreign Affairs, put a price on Mr. Tran's freedom by demanding that his family pay what amounts to a $100,000 ransom. Two weeks ago, the Vietnamese government withdrew this offer.

How can the minister explain his decision to give Vietnam several millions of dollars in Canadian aid when that country disregards all rules of basic justice by keeping a Canadian citizen in jail without any formal charges?

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, I wish to say to the hon. member that his press conference in Quebec City did not do much to help Mr. Quan. Certainly, such media events here in Canada are not looked upon and interpreted very favourably by Vietnamese authorities.

Furthermore, I can assure Mr. Quan's family that the Government of Canada, through its ambassador and through the Prime Minister himself, who made direct representations to Vietnamese authorities during his trip, is pursuing this matter and trying to convince Vietnamese authorities to either bring specific charges against Mr. Quan or let him return to Canada.

Mr. Philippe Paré (Louis–Hébert, BQ): Mr. Speaker, are we to understand from the foreign affairs minister's comments that his efforts and those of the Prime Minister were unsuccessful and that he is unable to protect a Canadian citizen whose fundamental rights are being flouted in Vietnam?

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, what must be understood is that the hon. member's actions, instead of helping us find a solution to Mr. Quan's problem, are making it considerably tougher for the Canadian government to make representations on behalf of Mr. Quan and his family.

* * *

• (1455)

[*English*]

GUN CONTROL

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, in a *Globe and Mail* newspaper article dated April 23, 1993 the present Prime Minister was quoted as saying:

> "He believes that the new gun control law passed by Parliament within the past year should be given a chance to work before the Liberals see whether it should be tougher".

I ask the Prime Minister: What made him change his mind?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the proposals we announced on November 30 are intended as part of the government's concerted effort to achieve what we described in the election campaign as safe homes and safe streets.

We believe they are integral to an effort government wide to deal effectively with the criminal misuse of firearms, to achieve better control at our borders with respect to what firearms enter Canada, and to enhance public safety.

I might add, knowing the hon. member's connection with the province of Alberta, that there is increasing evidence the people of that province are entirely in accordance with our view.

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, the justice minister continually states to the House and the people of Canada that if we want to know about a question of policing we should ask the police chiefs.

Why does the minister not accept and embrace the decision of the police chiefs on their stand on capital punishment and their stand on the removal of section 745 if he really believes what he is saying?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I take it implicit in the question by the hon. member is an acknowledgement that the police chiefs are in favour of the registration of firearms.

May I say that not only in relation to firearms but on a broad range of subjects the police are supportive of the agenda of the government to achieve public safety.

* * *

THE BUDGET

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

The next budget will show Canadians whether the government intends to build Canada or to dismantle Canada. There have been a number of suggestions that the government is contemplating block transfers not just for social programs but for health programs.

As the Minister of Finance will be meeting with provincial and territorial ministers tomorrow, will he today in the House and tomorrow in his meeting clarify how he sees the government's budget ensuring that the Canada Health Care Act remains as it is now and ensuring that Canadians will have health care regardless of what area they live in or how rich or how poor they are?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec, Lib.): Mr. Speaker, I will be meeting with the finance ministers tomorrow. I will not be going into the details of the budget with them for the reasons I have stressed many times in the House. However we will certainly be discussing the vast range of relationships that exist between both levels of government and how a future budget might well impact on them.

I can however assure the member opposite that the question of health care, which is one of the proudest legacies of the Liberal Party, will never be abandoned by a Liberal government.

Hon. Audrey McLaughlin (Yukon, NDP): Mr. Speaker, my supplementary question is for the Minister of Finance.

Could the Minister of Finance explain to the House how block transfers in health care would ensure that there would be a Canada health care standard and that the Canada health care act would remain intact?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, following the budget we

discuss each and every one of the budgetary items. We will explain them all. It would not be incumbent upon me to make any reference to any matter that may or may not be in the budget.

It is interesting, I must say however in response to this questioner, that one of the most concrete suggestions for mass transfers of power from the federal government to provincial governments which she seems to take some objection to was one made by the premier of British Columbia, a member of her own party.

* * *

• (1500)

RESEARCH AND DEVELOPMENT

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, my question is for the Secretary of State for Science, Research and Development.

In these difficult budgetary times I am deeply concerned about the risk of erosion of national institutions and processes. One example is our ability to do research and to train researchers in our national centres and ministries and in our colleges and universities.

Can the minister assure us that he will nurture Canada's capacity to conduct creative research and to train young researchers?

Hon. Jon Gerrard (Secretary of State (Science, Research and Development), Lib.): Mr. Speaker, in this age of doing more with fewer resources, our government has already provided leadership in launching initiatives like the Canadian technology network, the Canadian medical discovery fund, the technology partnerships program, the environmental industries initiative, phase II of CANARIE and PRECARN. These initiatives use very limited government resources to lever very substantial efforts in science and research and technology; efforts which meet the needs of Canadians, which provide exciting careers for young Canadians.

I want to reassure the hon. member that even if our federal government resources are constricted in the short term, we shall not flag or fail in our efforts to be innovative, in our efforts to work with all Canadians to ensure a strong future.

ROUTINE PROCEEDINGS

[*Translation*]

PUBLIC SERVICE STAFF RELATIONS BOARD

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, pursuant to Standing Order 32(2), I have the honour to table, in both official languages, the 27th annual report of the Public Service Staff Relations Board covering the period from April 1, 1993 to March 31, 1994.

* * *

GOVERNMENT RESPONSE TO PETITIONS

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

* * *

[*English*]

PETITIONS

JUSTICE

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, I rise before this House on day six of this initiative to present petition No. 6 on behalf of constituents who wish to halt the early release from prison of Robert Paul Thompson. His date for parole hearing is set for April 11, 1995.

The petitioners I represent are concerned about making our streets safer for our citizens. They are opposed to the current practice of early release of violent offenders prior to serving the full extent of their sentences.

The petitioners pray that our streets will be made safer for law–abiding citizens and the families of the victims of convicted murders.

GUN CONTROL

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, I rise in the House to present 11 petitions signed by over 2,000 people from several communities in my constituency of Cariboo—Chilcotin.

My constituents are of the opinion that existing controls on law–abiding, responsible firearms owners are more than enough to ensure public safety. They therefore call upon Parliament to support laws which will severely punish all violent criminals who use weapons in the commission of a crime and support new Criminal Code firearms control provisions which recognize and protect the rights of law–abiding citizens to own and use recreational firearms; support legislation which will repeal or modify existing gun control laws that have not improved public safety or have proven not to be cost effective or have proven to be overly complex so as to be ineffective or unenforceable.

These petitions are presented with my concurrence.

• (1505)

HUMAN RIGHTS

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, today I am honoured to present two petitions from my constituents, the first being from 25 who call upon Parliament to oppose any amendments to the Canadian Human Rights Act or the Canadian

Charter of Rights and Freedoms which provide for the inclusion of the phrase sexual orientation.

KILLER CARDS

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, the second petition includes 82 names. This petition basically requests that this House amend the the laws of Canada to prohibit the important, distribution, sale or manufacture of killer cards in law and to advise producers of killer cards that their products if destined for Canada will be seized and destroyed.

HUMAN RIGHTS

Mr. Patrick Gagnon (Bonaventure—Îles-de-la-Madeleine, Lib): Mr. Speaker, I have three petitions, one of which calls upon Parliament to act quickly to amend the Canadian Human Rights Act to prohibit discrimination on the basis of sexual orientation and to adopt all necessary measures to recognize the full equality of same sex relationships in federal law.

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, I rise today pursuant to Standing Order 36 on a petition with 44 signatures from my riding.

The petitioners in my riding request that under the Charter of Rights and Freedoms we guarantee that everyone has the right to protection against discrimination and that the Government of Canada has recognized this including discrimination on the basis of sexual orientation.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, I rise pursuant to Standing Order 36 to present a petition on behalf of my constituents who are concerned about the proposal to put forward legislation embodying sexual orientation in the Human Rights Act.

I concur with them in their opposition to that.

[*Translation*]

VOICE MAIL BOXES

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, it is my great honour today to table in this House a petition bearing 1,080 signatures from my riding.

This petition denounces the government's proposal with respect to voice mail boxes. I am pleased to join with these many petitioners in the conviction that services must be adapted to users and not to bureaucratic machinery.

Thus the people of Quebec City wish to draw the attention of Parliament to the following: Whereas senior citizens are naturally less experienced with the technology of voice mail; and whereas senior citizens are entitled to appropriate service, particularly in response to their income security inquiries, these petitioners call upon Parliament to ask the government to abandon its plan to install voice mail for senior citizens.

[*English*]

GUN CONTROL

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, pursuant to Standing Order 36, it pleases me to offer three petitions today. The first two come from in and around the city of Winnipeg, Manitoba with 300 signatures on pink paper from women who would like to draw to the attention of the House that the proposed amendments to firearm control legislation by the justice minister are unduly harsh and will waste dwindling financial resources while attacking the rights of law-abiding citizens without affecting crime.

They request that the provisions be separated and that Parliament proceed to strengthen border patrols and strengthen measures to deal with the criminal use of firearms but not proceed with the proposed enhanced controls on legal ownership of firearms.

There are 300 signatures on this petition from the women of Manitoba and I have an identical one with nearly 900 signatures from men.

The third petition from Calgary requests that Parliament support laws which will severely punish all violent criminals who use weapons in the commission of crime, support new Criminal Code firearms control provisions which recognize and protect the rights of law-abiding citizens to own and use recreational firearms, and support legislation which will repeal and modify existing gun control laws which have not proved public safety or have proven not to be cost effective or have proven to be overly complex so as to be ineffective or unenforceable.

I concur with these petitions.

ASSISTED SUICIDE

Mr. John Cummins (Delta, Ref.): Mr. Speaker, I rise today pursuant to Standing Order 36 to present two petitions.

The first states that the majority of Canadians respect the sanctity of human life and the majority of Canadians believe that physicians in Canada should be working to save lives, not to end them.

• (1510)

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

HUMAN RIGHTS

Mr. John Cummins (Delta, Ref.): Mr. Speaker, the second petition, with which I do not concur, calls upon Parliament to

amend the Canadian Human Rights Act to protect individuals from discrimination based on sexual orientation.

CRTC

Mr. Lyle Vanclief (Prince Edward—Hastings, Lib.): Mr. Speaker, I have two quick petitions.

One is calling upon Parliament to ensure that the CRTC recognizes that Canadians do not need to be shocked to be entertained and that foul language, excessive violence and explicit sex are not necessary to provide quality entertainment.

RIGHTS OF THE UNBORN

Mr. Lyle Vanclief (Prince Edward—Hastings, Lib.): Mr. Speaker, the other petition calls upon Parliament to act immediately to extend protection to the unborn child by amending the Criminal Code.

GUN CONTROL

Mr. John Maloney (Erie, Lib.): Mr. Speaker, pursuant to Standing Order 36, I have a petition representing the views of over 290 constituents which I wish to present to the House.

The petition states that public safety is the number one priority of the criminal justice system and that the target for all gun control laws in the Criminal Code of Canada must be that criminals are a danger to that public safety.

These petitioners make three requests to Parliament. They ask Parliament to support laws that will severely punish all violent criminals. They ask Parliament to recognize the right of all law-abiding citizens to own and use firearms. They ask Parliament to support legislation that would repeal or modify existing firearms legislation that does not improve public safety.

ASSISTED SUICIDE

Mr. Glen McKinnon (Brandon—Souris, Lib.): Mr. Speaker, I rise with two petitions representing views of constituents in Brandon—Souris.

The first petition calls on the government to enforce the existing provisions in the Criminal Code prohibiting assisted suicide. It also asks that no further changes be made in the law which would sanction the aiding or abetting of suicide or active or passive euthanasia.

HUMAN RIGHTS

Mr. Glen McKinnon (Brandon—Souris, Lib.): Mr. Speaker, the second petition calls upon Parliament not to amend the human rights code, the Human Rights Act or the Charter of Rights and Freedoms in any way that would indicate societal approval of same sex relationships or homosexuality.

ASSISTED SUICIDE

Mr. Bob Speller (Haldimand—Norfolk, Lib.): Mr. Speaker, I rise on the two same subject matters, the first one regarding assisted suicide. The petitioners call upon Parliament to make no changes in the law that would sanction assisted suicide.

HUMAN RIGHTS

Mr. Bob Speller (Haldimand—Norfolk, Lib.): Mr. Speaker, the other set of petitions is regarding same sex benefits and the amending of the Canadian Human Rights Act. People in my riding in these petitions are suggesting that the government should not amend the Human Rights Act.

OFFICIAL LANGUAGES

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, pursuant to Standing Order 36 it is my duty and honour to rise in the House to present a petition duly certified by the clerk of petitions on behalf of 32 constituents of Saanich—Gulf Islands and surrounding area.

The petitioners humbly pray and call upon Parliament to enact legislation providing for a referendum of the people binding upon Parliament to accept or reject two official languages, English and French, for the government and for the people of Canada.

HUMAN RIGHTS

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, I rise to present several petitions to the House.

The first petition requests that Parliament not amend the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way that would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the Canadian Human Rights Act to include in the prohibited grounds of discrimination the undefined phrase sexual orientation. I table that with my approval.

RIGHTS OF GRANDPARENTS

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, my second petition requests that Parliament amend the Divorce Act to include a provision similar to article 611 of the Quebec Civil Code which states that in no case may a father or mother without serious cause place obstacles between the child and grandparents.

Failing agreement between the parties, the modalities of the relations should be settled by court; further, an amendment to the Divorce Act should give a grandparent who is granted access to a grandchild the right to make inquiries and to be given information as to the health, education and welfare of the child. I concur with that as well.

GUN CONTROL

Mr. Peter Milliken (Kingston and the Islands, Lib.): Mr. Speaker, I have a petition signed by 44 residents of the Kingston area in which they call upon Parliament not to enact any further firearms control legislation, regulations or orders in council.

I am pleased to table this petition on their behalf.

• (1515)

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, Question No. 123 will be answered today and I would ask that the remaining questions be allowed to stand.

[*Text*]

Question No. 123—**Mr. Leroux:**

With respect to the Council for Canadian Unity, or any agency or organization attached to or working for the council, (*a*) have there been any increases in the annual budget(s) since January 1994 and if so, on what precise date(s) did the increases occur and how, item by item, were they allocated, (*b*) has it undertaken or contracted out the undertaking of any public opinion poll or polls of Canadians or Quebecers and if so, what was the wording of the questions and the result of the poll(s), question by question and (*c*) what are the government's intentions with respect to the council's budget for hiring personnel or borrowing personnel from other departments on assignment for this fiscal year and the coming fiscal year, in actual numbers?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): The Council for Canadian Unity is not a Government of Canada organization. The Council should be contacted directly to obtain this information.

The address is: Council for Canadian Unity, 2055 Peel Street, Suite 475, Montreal, Quebec, H3A 1V4. Tel: 514–843–4124.

[*Translation*]

The Deputy Speaker: Colleagues, the question mentioned by the parliamentary secretary has been answered. Shall the remaining questions stand?

The member for Abitibi, on a point of order.

Mr. Deshaies: Mr. Speaker, I rise on a point of order in respect of Question No. 86 which I submitted on 29 September 1994, over four months ago, to which the government has not yet replied.

A question on the Order Paper should be answered within 45 days. I therefore ask the government to explain this delay which I consider unreasonable.

Mr. Milliken: Mr. Speaker, as always, the government attempts to answer all questions, and we prepare these answers as quickly as possible. I am sorry, but I do not have an answer for the hon. member today. I will ask some questions of certain people to find an answer which I will then report to the House.

The Deputy Speaker: Given this explanation, shall the remaining questions be allowed to stand?

Mr. Deshaies: I will get back to the Speaker to ask my question again tomorrow or the next day.

The Deputy Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

AGRICULTURE AND AGRI–FOOD ADMINISTRATIVE MONETARY PENALTIES ACT

The House resumed consideration of the motion that Bill C–61, an act to establish a system of administrative monetary penalties for the enforcement of the Canada Agricultural Products Act, the Feeds Act, the Fertilizers Act, the Health of Animals Act, the Meat Inspection Act, the Pest Control Products Act, the Plant Protection Act and the Seeds Act be read the second time and referred to a committee.

The Deputy Speaker: Colleagues, the hon. member for Cumberland—Colchester was into questions and comments. I understand that eight minutes remain.

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, in response to the question that was put before question period by the hon. member concerning the regulatory process, it is the hope and expectation of the government that after consulting with industry the regulations would be designated as infractions, whether they were an offence of a minor nature, a more serious nature or a very serious nature. Those would be decided on in combination with the private sector of the resource that we are referring to, as well as government regulators. It would be dealt with in a very fair and reasonable manner and, as indicated earlier, would prohibit taking every single infraction to the courts, thus saving time and money.

In response to the hon. member's second question regarding how regulators will be kept fair and honest, it is my assumption that public servants try to put in a fair day's work for a fair day's pay. In no way would they look aside or turn a blind eye when there may be infractions such as unsanitary conditions in a meat inspection plant, for example. In no way would they disregard that infraction when tainted meat could appear on supermarket shelves, which in turn might land on their own family's supper plate.

I have every hope and expectation that the regulators of the Canadian public service will pursue this with all sincerity to ensure that we have a safe and quality food supply for all Canadians.

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, I will go back to the question that was posed before question period. The hon. member did not answer it for me. It was a two–part question.

Since an appointment by order in council has never been turned down in Canada's history, since a single individual has never been turned down, could the hon. member please comment for me on whether it would be better to review these appointments at the nomination stage rather than the appointment stage on committees.

Mrs. Brushett: Mr. Speaker, again as I reiterated prior to question period, it is my understanding that many Canadians desire to serve in the public domain of Canada. They are sincere when taking on the responsibility of serving their communities, municipally, provincially and federally.

• (1520)

It is a grave responsibility but the people appointed desire to serve. It is to the benefit of the public. Canadians are responsible people. Look at volunteerism, the responsibility that they take for their communities. It would be a great burden to the country to pay for the work done through volunteerism.

I believe the government is willing to listen to any name coming from any party as to who may be a responsible serving citizen.

Mr. Hill (Macleod): Mr. Speaker, I know that sometimes a political answer is the only appropriate one. However, this is such a straightforward question.

I would ask my question for the third time. I am not trying to be cute or tricky. Would it not be more appropriate to have the committee review the names that are to be presented at the nomination stage? Then the names go to the PMO and the PMO would pluck from that group of names to make the process useful.

If there has never been in history a single person turned down for an order in council appointment, surely it is a sham. Should it not be nomination, review; appointment, no need to review.

Mrs. Brushett: Mr. Speaker, I have one brief comment. I believe it is an insult to the integrity of the Canadian people. If their names are put forward at any level of government, they should participate in the democracy of the country.

It has been in our interest throughout the history of this government to listen to those names.

Mr. Jake E. Hoeppner (Lisgar—Marquette, Ref.): Mr. Speaker, it is a pleasure to rise in the House this afternoon to address this bill.

I was looking at my notes and I realize they were written last October. We do not work very fast. I will try to refresh my memory as I speak from my notes.

I will outline the concerns I have with this bill and how I see it affecting farmers in my region. When I am talking to farmers and tell them the fines will be $100,000 to $250,000 for non–compliance, they throw up their hands and say: "Hey, we've never had money like that. How are we ever supposed to pay a fine?" I always reassure them. "Look at the positive side because you haven't had to pay the fine. At the speed this government works the Canadians dollar will probably be worth less than a Mexican peso, so it won't amount to too much". That reassures them things are not going to go too fast.

For instance, if the fine exceeds $2,000, the person named in the notice of violation can request a compliance agreement. The minister may request a security payment as a guarantee that the person will comply with the agreement. It will be returned when the minister deems the person has satisfactorily complied with the agreement.

It really does not matter whether the violator feels he has complied. The minister will make the decision. That worries me somewhat.

If the minister subsequently decides the person who has entered into the compliance agreement has not complied with the agreement, the minister can impose a penalty of twice the original amount and can retain any security given by the person who is deemed to be in violation. That is a very powerful tool. I cannot see how that can be accomplished in this bill or why it should be unless there is an agreement between the violator and the board that he did not comply.

The board of arbitration appointed by the minister and the review tribunal appointed by the Governor in Council will settle disputes between buyers and sellers. The tribunal hears reviews of the minister's decision at the request of a person who has been deemed to be in violation of the act. I think that is a good procedure and could probably work, but I am very worried about when compliance is deemed to have been carried out and when not.

• (1525)

Bill C–61 greatly increases some of the fines for offences. These should not be confused with violations which will be dealt with through the agriculture monetary penalty contained in various agriculture acts. For example, it amends the Feeds Act to increase fines for an indictable offence from $1,000 to $250,000. That seems to be a huge increase and I hope I never have to pay one of these penalties because it would break me. It is intended to discourage someone from committing a contravention that would likely be pursued as an offence.

One of the main areas of contention seems to be the board of arbitration and the review tribunals. Each of these bodies currently consists of between three to five members but Bill C–61 removes the limit to the number of board members. I feel this is a very grave error. It should have a cap on it because it can create another bureaucracy and could go to 20 or 30 members. We know what the costs would be for operating a board or a tribunal of that size. It also makes it very possible that we could have some more political appointments for people with close

political ties who are out of jobs. It would be a nice place to find another job for them. I do not think we need that.

The selection process does nothing to dissuade the patronage appointments. I believe that has been stressed this afternoon.

A great deal of power is given to the minister. He can decide whether to pursue a contravention as a violation or as an offence and has leeway in setting or reducing or increasing fines. There is not much accountability built into this legislation.

It really worries me when I see this kind of power given to a board or to a minister. The court system does not seem to be able to deal with some of these matters in a very efficient manner and it is a lengthy debate sometimes whether it is a violation that is serious or whether it is a violation that is moderate or maybe just a minor one.

Clause 23, which is an amendment we proposed, would at least retain the violations to a 10–year period. I think it is of major importance that this amendment be passed if this bill does pass.

Clause 28 is an amendment to remove the ceiling on the number of members on the board of arbitration. The amendment would propose to retain this ceiling. I support the amendment that there be a ceiling because we do not want another board or another review tribunal with about 30 people who we find are very expensive to maintain.

An amendment proposed that would disqualify a public servant from being a member of the board of arbitration is a must. When a public servant ruled on an arbitration or sat on a tribunal board I would hesitate to go before a tribunal because the violator has very poor chance of getting a fair hearing.

Illegal and undeclared importation of plant products, meat or meat products is a serious concern because the introduction of plant or animal diseases into Canada could cost millions of dollars for control or elimination. We had a very good example of what could happen when the Grandin issue come before the courts or before the government. When Grandin wheat was brought illegally into this country, for some reason the Department of Agriculture overstepped its bounds and took away the responsibility from excise and customs officers and allowed it to continue. That was a very serious violation of what the Customs Act should have been doing. It is an example that shows us very vividly how a minister or a department with too much power overrides issues and makes bad decisions.

The current process involves prosecution in courts of law and has not been all that effective. There are limited alternatives in the current system to enforce compliance with the law outside of criminal prosecution which involves court costs and delays.

• (1530)

The bill proposes implementation of a ticketing procedure at ports of entry into Canada in the hope of increasing efficiency and effectiveness in dealing with this problem.

When the courts cannot address this issue effectively how will a ticketing process by this act resolve the problem? Penalties will be imposed, fines and offences under eight related acts. This will be a tremendous burden for the minister or the department to administer.

When I see under the Fertilizers Act a fine going from $500 to $50,000 and for an indictable offence to $250,000, it scares me. I am wondering who will be falling under the compliance act. It cannot be farmers because it will break them. It will have to be somebody with the multinationals or huge corporations who can really be addressed through this act.

Overall streamlining of the regulatory process is a worthy goal as it is reducing court costs and the associated regulatory burden. But will this extra power of a minister be exercised fairly? That is a concern I have about this act. If the minister, the department or the tribunal favour large violators, multinationals or large corporations as opposed to individuals, we are going to be addressing a huge problem of unfairness and probably discrimination.

It is only fair that we look at this act very seriously and address some of the issues which have been pointed out today concerning the setting up of a tribunal and also the arbitration board.

Examples of contraventions likely to be treated as violations include unsanitary facilities in a meat processing establishment. This raises another issue which we talked somewhat of this morning. Is it a provincial or a federal jurisdiction? We could find that we have a dispute between this act and some of the provincial regulatory processes or bodies. Mislabelling of agriculture products is very simple. It is more or less a major federal jurisdiction, but the other one could cause us some problems.

Taking an animal out of quarantine and marketing it and thereby endangering the health of consumers and maybe the health of certain industries is another grave concern. This is becoming more and more of a concern when we see new enterprises springing up in wildlife animal farming or bringing in ostriches, emus or whatever specialty enterprise is considered.

The main goal of compliance instead of punishment seems to be agreeable. I would however warn that we do not make compliance too easy because it can just become a matter of paying an extra few dollars in fines and continuing with the non–compliance.

Transport Canada and employment and immigration use this type of process. I do not think it has been very responsive to some of the issues, especially if we look at the Western Grain Transportation Act.

The powers granted to this minister are extensive. The minister may make regulations, not just enforce them. When we have an act where we can change regulations and the compliance during the life of the act I think it becomes very suspect.

That decisions can be either designated as a violation or an offence is another thing I am worried about. Whether it is a minor, a serious or a very serious offence or non–compliance is also given to the minister or the boards. These things seem to set up a system with which we could have more problems than solutions. I do not think that is what we want.

The minister is given the power to decide whether it is a contravention or whether it should be treated as a violation. That is totally wrong. We need a better guideline, a better system of defining what is an offence or non–compliance.

• (1535)

I would warn this House very strongly that we do not want to pass an act or regulations that will more or less give the individual fewer powers or less of a chance to be heard than the corporations or multinationals. We see that too much today already.

The railways had a non–performance clause in the Western Grain Transportation Act. It provided for monetary penalties. That act has been in force for over 10 years. There has never been a monetary penalty assessed to any railway for non–compliance of the act.

This points out very strongly why we in this House should be very cautious about passing this bill before we make some definite amendments to it. It is almost as if we are trying to do away with democracy and trying to enlist a sort of dictatorship.

I have said in my speeches in the House before that sometimes when I look at the agriculture policies we are making it seems that this Liberal government is lost in the dust. It cannot really see what the results will be, how it will affect the farmers or the producers.

It is better if we start clearing the dust, waving our hands around a bit and saying that the individual producer is the one who is going to be affected. Let us give him a break and let us see that he stays healthy and productive. Otherwise we do not have much of a chance in turning this country's monetary or financial situation around.

I hope the hon. minister has listened this afternoon and knows that the farmer is always dear to my heart. The farmers are the ones who put me here and the ones I am going to speak up for.

Mr. Gordon Kirkby (Prince Albert—Churchill River, Lib.): Mr. Speaker, it is a pleasure for me to speak today in support of Bill C–61, a bill to introduce an administrative monetary penalty system, or AMPS as it is more commonly know. This bill will provide a broader range of enforcement options to Agriculture and Agri–Food Canada's inspection officials by allowing them to levy monetary policies for non–compliance with the regulations.

As it now stands a criminal prosecution is relied on too heavily. It is often the only option available to inspectors with the department's food production and inspection branch when they are faced with a violation of this country's statutes regarding food and animal health and safety.

By introducing AMPS, inspectors will have at their disposal a range of monetary policies. They will not have to rely on seizure and detention of a product and prosecution through the courts with the attendant delays and costs to the taxpayers that involves.

Technically, administrative monetary penalties are not fines but I will use that word for simplicity. Initially, fines will range from $50 to $6,000 depending on the seriousness of the violation. This legislation will however give the department the ability to impose fines of up to $15,000 for very serious non–compliance to our regulations.

These fines or monetary penalties are not levied without any recourse. Anyone who believes the fine is unjustified will be able to make use of an appeal process. This process will include a departmental review, a review by an independent tribunal and if necessary will proceed to the Federal Court of Canada.

It should be noted that this initiative emphasizes obtaining compliance by offenders and not simply punishment. AMPS will allow the department to negotiate solutions to non–compliance with the offending parties. Fines can be reduced or waived if corrections, for example, processing modifications, are made by the industry.

Immediate corrective action results in a better product, improved health and safety, more effective enforcement and the protection of Canada's reputation for high quality control standards in relation to agri–food products. In today's highly competitive market, there is no doubt we must do all we can to enhance our reputation for quality and in fact deliver high quality food to the world's consumers.

• (1540)

In order to ensure that the system operates as effectively as possible and to avoid frivolous appeals, the government is making available a fine reduction option. Offenders who pay their fines without asking for a review will receive a 50 per cent reduction in their penalty.

Reviews cost money and this option is used by other departments in other jurisdictions quite successfully. While this may seem counterproductive to some, let me remind everyone that the administrative monetary penalty system stresses compliance and not punishment. The department does not see this initiative as a money making venture. It will gladly reduce or even waive a fine if the offender is willing to show compliance with Canada's regulations.

While criminal prosecution will still be an option, AMPS will lead to better compliance rates and more effective enforcement action taken by the branch. The administrative monetary penalties will enable greater enforcement of compliance among importers, thereby helping to create a level playing field for the domestic industry.

This move by Agriculture and Agri–Food Canada is consistent with the initiatives being taken by other departments and with the entire regulatory framework in Canada. Transport Canada currently has an administrative monetary penalty system. The one being proposed for this department builds significantly on the transport model, and other departments are considering the adoption of this system.

This system has been developed in conjunction with the Department of Justice through the regulatory compliance project. One of the goals of this project is to look at alternatives to criminal prosecution of regulatory violations. In many cases criminal prosecution is considered too severe as this course of action can lead to a criminal record and even the possibility of imprisonment. This is another step in our goal of decriminalizing regulatory infractions.

Federal regulatory policies encourage the use of the least coercive alternative models. AMPS will provide the department and the food production and inspection branch with a less coercive alternative.

It pleases me to note that this administrative monetary penalty system not only has the support of a number of federal departments, but it has the solid support of industry associations as well. This latter support is, in my mind, the most important since it is the industry and our farmers who have not only asked for this but it is the industry that will have to work with it as well.

During recent consultations industry associations recommended the active enforcement of domestic standards to imported products. This is because Canadian industry needs to be able to compete on a level playing field if it is to remain competitive in the global market.

It is important also for Canada to protect its international reputation for high quality health and safety standards when it comes to agriculture and agri–food products. The introduction of AMPS was also one of the recommendations of the department's regulatory review undertaken in 1992.

The goal of the federal approach to the regulatory system is to create a regime that is not just cost effective but is flexible and addresses the realities of doing business in a new way. The government and the Department of Agriculture and Agri–Food require a system that is more cost effective and more appropriate.

To my mind, the administrative monetary penalty system meets all of these criteria. I must point out that the AMPS is also used by the United States department of agriculture where it has been shown to be very successful in increasing compliance. Our system will allow us to harmonize our regulatory enforcement with the United States and also with some of our trading partners in Europe who also use this type of system.

Better regulatory compliance will help industry not just at home but it will improve its global competitiveness as well. Increased compliance will help ensure that Canadian export products maintain their high reputation internationally. It will do so by enabling the department to take effective action against importers or domestic companies marketing products that do not meet Canadian health, safety or quality standards.

• (1545)

Business will welcome clear rules that will help to increase compliance and remove unfairness from the system. The agricultural community will welcome any activity that strengthens our enforcement at border points, increases equity of enforcement between commodities and promotes the marketability of Canadian products.

The system highlights the joint responsibility that governments and industry share for ensuring compliance. By consulting with industry the government has devised a system that will benefit everyone. It will give government inspectors a wider range of enforcement options when they are faced with regulatory violation. It emphasises compliance, not punishment, by permitting monetary penalties to be waived or mitigated if the violator takes corrective actions to ensure future compliance.

It will improve the competitiveness of industry at home by applying consistent standards to both imported and domestic products and abroad by helping to ensure Canada's protects its high reputation internationally.

I commend our minister of agriculture who has done a terrific job in identifying problems and going through extensive consultation on this issue and many other issues. As is typical, once this process is completed a very sensible, workable solution comes out the other end. I thank and congratulate the minister.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, I am particularly interested in one aspect of the proposed legislation that deals with the tribunal. I gather it is a dispute settling mechanism to clear any violations that may be made in some sort of judicial setting.

In the interest of natural justice there has to be some sort of a fair procedure set up such as an unbiased adjudicator and the opportunity for a hearing. Given the track record of the quasi–judicial bodies that exist in the government today—and I use the example of the Immigration and Refugee Board and the parole board—can we consider them to be that of unbiased adjudication when individuals who are appointed through the process and orders in council reflect patronage, are friends of ministers and friends of others who sit within the Liberal government?

My concern and the reasons why I would be very hesitant about supporting the bill are based on these particular points of concern, and I refer to subsection 4.1(2):

> A person is not eligible to be appointed a member of the Tribunal unless the person is knowledgeable about or has experience related to agriculture or agri–food and the Chairperson of the Tribunal and at least one other member of the Tribunal must, in addition, be a barrister or advocate of at least ten years standing at the bar of any province or a notary of at least ten years standing at the Chambre des notaires du Quebéc.

In the appointment process for individuals sitting on this board, how much of a guarantee will we have that we will not run into the same problems as those of the Immigration and Refugee Board or the parole board? They apparently had qualified people on them, yet when it came to the actual decision making process they differed vastly from the concerns of the public and the decisions rendered were very questionable. That aspect dealing with concerns has not been addressed in this piece of legislation.

• (1550)

I am not a lawyer but I know there are many on the other side of the House who seem to relish the thought of putting together legislation that only lawyers can understand. One thing of concern to me deals with some process of natural justice, that is that a fair procedure be introduced.

I am looking at some of the clauses in Bill C–61 wherein the rules of evidence do not apply to the hearing. Again I ask members on the government side why the rules of evidence would not apply in any hearing if we are looking for a fair and just procedure to solve or settle any of the concerns that may come before it.

When I consider some of the concerns in this document and look at the Immigration and Refugee Board I see that the process is not driven by the concerns of Canadians through the minister or through the member but rather by special interest groups that may want the decision making process structured in their favour.

With all these issues, when we ask for quasi–judicial bodies are we actually promoting something fair and unbiased that will benefit society as a whole?

The minister of immigration and the Solicitor General have been very evasive in dealing with the specifics. When situations or complaints have arisen they stand back and make this comment: "No, I cannot interfere in the process because that would be interfering with a quasi–judicial body and would be outside the realm of my jurisdiction".

My question to all members on the government side is: Should not the minister be accountable for everything that goes on in his department? Why should it be taken from him and passed on to a quasi–judicial body to take the heat off himself? I do not agree with some of these dispute settlement mechanisms.

I am particularly interested that they talk about the tribunal. So often it divorces itself from the minister. It takes accountability away from much of the decision making process and takes responsibility and accountability away from the minister. On that basis alone I could not support the bill.

The Deputy Speaker: The member has asked a number of questions in his intervention. It may be confusing for people watching us, but the minister may respond to the questions under the umbrella of asking a question or making a comment himself.

I see the member for Cumberland—Colchester has risen first. I will have to recognize her first and then the colleague to her right.

• (1555)

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, as we discussed the bill in the House today, on repeated occasions the hon. member referred to interference by the minister: "What protection does the bill give us that there will not be interference?"

I would like to suggest that hon. members are talking out of both sides of their mouths. On one question they want no interference. On the next question the hon. member asks why the minister does not take full responsibility and interfere. They cannot have it both ways.

I have a question for the hon. member. There has been reference to the parole board and the Solicitor General repeatedly today. How many times has the hon. member heard of interference by the Solicitor General of Canada in the parole board?

Mr. Hanger: Mr. Speaker, if the parole board or some other quasi–judicial body makes a serious blunder I would hope somebody would be held accountable and heads would roll. However that does not happen.

The parole board has made terrible decisions in the past that have jeopardized the lives and safety of Canadians. I am not saying this quasi–judicial body will necessarily do that, but we

must remember that we are talking about heavy fines being levied against businesses. Someone somewhere should be held accountable.

Under the quasi–judicial system the board makes the decision and the minister stands back and says: "No, I am not accountable. They are responsible. They have been given the sole authority". Where does the buck stop? Is the board held accountable? They are not elected officials. I am saying that the minister or the criminal courts where often these matters are resolved should be the bottom line.

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe, Lib.): Mr. Speaker, I listened to the hon. member for Calgary Northeast as well, in particular when he started talking about subsections 14(1) and 14(2) and the credible people who would sit on the tribunal. I listened to the hon. member across the room say many times that he would like to see credible people on the parole board. I have to agree with him; I would like to see that too.

However, what could be more credible than a person on this tribunal with extensive agricultural background and legal background? Maybe the hon. member could tell me who would be more credible than that.

Mr. Hanger: Mr. Speaker, let us look at the track record of both the parole board and the Immigration and Refugee Board. They are people who have been placed within the system and supposedly have qualified backgrounds.

Yet, what is happening? They are friends of ministers. They are friends of the Liberal Party. Prior they were friends of the Conservative Party. In some instances they were unqualified but were placed on that board. What is to prevent that from happening with this particular board by order in council appointments? Nothing.

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.): Mr. Speaker, from the comments made in the course of the debate today I take it there is recognition, given the process being established by the legislation, that there needs to be as a part of the process a tribunal to adjudicate upon disputes and alleged offences.

The whole purpose of establishing such a tribunal as a quasi–judicial body is to remove the adjudicative procedure from my office, which is a political office, and to put it in the hands of a body, an organization or a tribunal that can be at arm's length and not influenced by the day to day flow of political events. The whole reason for having a quasi–judicial tribunal assume that responsibility is to separate responsibility from any kind of appearance of political interference. I would think my hon. friends in the Reform Party would agree there ought to be that arm's length relationship and in fact that the functioning of this kind of tribunal should not be subject to day to day political considerations.

• (1600)

Finally, I would point out, as my friend from Prince Albert did earlier today, if there is a concern about a decision rendered by the adjudicative tribunal, it can in fact be appealed to the Federal Court of Canada.

Mr. Hanger: Mr. Speaker, I thank the minister for his clear explanation. It is not unlike, as I suspected, the quasi–judicial Immigration and Refugee Board which is fraught with all kinds of problems and a minister who is reluctant to step in when he should and steps in when he should not. The Federal Court, already backlogged when it sits with immigration cases, will now undoubtedly be backlogged even further with agricultural problems.

I suggest that the agricultural tribunal as proposed is going to be just as flawed as the Immigration and Refugee Board and the parole board.

The Deputy Speaker: Colleagues, the time is up unless there is a unanimous desire to continue. I take it there is not.

Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

The Deputy Speaker: In my opinion the yeas have it. I declare the motion carried.

(Bill read the second time and referred to a committee.)

* * *

WESTERN GRAIN TRANSPORTATION ACT

Hon. Ralph E. Goodale (for Minister of Transport, Lib.) moved that Bill C–66, an act to amend the Western Grain Transportation Act, be read the second time and referred to a committee.

He said: Mr. Speaker, on behalf of the government and in particular on behalf of my colleague the Minister of Transport, I am pleased to open debate on Bill C–66, an act to make certain short term amendments to the Western Grain Transportation Act, commonly known as the WGTA.

This bill deals with three specific changes to the current legislation. Two amendments address problems in the move-

ment of grain to port for export. The third removes the WGTA subsidy on shipments of wheat to Mexico and is intended to facilitate our continued access to a very important market for Canada in Latin America.

At the outset I should note that the amendments in Bill C–66 are no substitute and are not intended to be a substitute for the major reforms of the grain handling and transportation system which will be brought before this House later on in this session. Rather, this bill fulfils a commitment that the government has made to farm leaders and to the grains industry that we would deal with certain particular issues that have caused significant delays and other problems in Canada's grain transportation system, especially over the course of the last year or so.

Because it is essential procedurally that these amendments are in place before the beginning of the 1995–96 crop year in western Canada which begins on August 1, the government tabled the legislation which is now before us in December. We are urging its quick passage through the House so that the legislation can be in effect in time for the beginning of the next crop year.

• (1605)

On the broader reform issues, we will be moving forward with them just as soon as possible after the upcoming federal budget.

One of the specific changes in Bill C–66 will end the practice of backhauling, that is the so–called scenic route backhaul subsidy on U.S. bound grain which has been moving from the prairies to Thunder Bay and then back to either Fort Frances or Winnipeg before finally heading south toward its final destination.

This practice has arisen because the existing transportation subsidy in fact makes it cheaper for shippers to move their grain to Thunder Bay at subsdized rates before moving it to destinations in the United States at commercial rates, rather than moving it directly at commercial rates for the whole distance.

Using Winnipeg as a reference point, backtracking or backhauling increases the length of hauling grain by about 450 miles in the case of Canadian National Railways and about 860 miles in the case of Canadian Pacific railway. Obviously this practice is inefficient and has led to longer car cycle times and much less effective use of the grain car fleet. The WGTA was never intended to foster this kind of backhaul situation and everyone agrees that it must be terminated.

With the passage of Bill C–66 the amendment to end subsidized backhauling would take effect no later than August 1, 1995, that is, the beginning of the next crop year. It could be brought into force earlier by order of the governor in council if there is a consensus in the grains industry that an earlier implementation date would be desirable.

I must point out that the opinion of virtually all of the players in the industry I have spoken to with some exceptions is that the most convenient and expeditious date for the implementation of the change would be coincident with the beginning of the new crop year on August 1.

Another change included in Bill C–66 will implement a system of demurrage and storage charges on railcars carrying grain, other crops and products under the WGTA when they are in fact misused by shippers for storage purposes. This will be coupled with a despatch system to encourage the expeditious use of cars.

Demurrage refers to charges that are levied when a shipper does not load or unload a railcar, a ship or a truck within the specified free time at either the origin or the destination point of the railcar. Car storage is similar to demurrage but refers to excessive time that a car spends on railway property before being positioned for unloading. Despatch refers to benefits that a shipper can earn by loading or unloading a car in less time than that which is considered normal or reasonable in the circumstances.

Under this bill the railways would be able to implement demurrage and car storage charges for delays in loading and unloading. This measure would encourage faster turnaround in the use of railcars. This is obviously important in our grain transportation system which is stretched to the limit with no cars to spare.

This amendment would also come into force for the beginning of the next crop year, no later that August 1, 1995. Or again, it could be implemented earlier by an order in council.

On the flip side of the storage, demurrage and despatch for the use of railcars equation, we have to focus upon the issue of railway performance. The WGTA already provides for sanctions to be applied against the railways if they fall short in their obligations in grain transportation. That provision has been in the WGTA since the act was first enacted about 10 years ago. Therefore it is not necessary for us to amend the legislation to put in the law the provisions with respect to sanctions having to do with railway performance.

What has been missing in terms of enforcement of any such sanctions is a precise government regulation to give practical effect to what is already in the WGTA about railway performance. I am pleased to inform the House that the necessary research and analytical work has been done. The drafting work has been done pertaining to such a regulation. Such a regulation could be brought forward very quickly if one is needed in respect of railway performance. I mention this point just for the sake of balance.

• (1610)

If there are to be demurrage charges and storage charges in the system of despatch applying to the shippers in order to ensure that they conduct themselves properly in terms of the use of railcars and other aspects of the grain handling and transporta-

tion system, we must also point out there needs to be a corresponding system affecting the activities of the railways. Should a regulation be required, it will be brought forward quickly.

The two proposed amendments in Bill C–66 to which I have referred aimed at reducing inefficiencies in the grain transportation system have very widespread support from industry. They are a direct result of industry–government collaboration and consultations over the last number of months, a period which began in May 1994.

During the first half of 1993, all of the best brains in the grains industry in Canada were looking forward to the 1993–94 crop year as what everybody expected would be a fairly normal grain shipping season. Then it started to rain in the Mississippi valley. The colossal flooding that resulted was the worst in 300 years. It caused the United States to use up all available railway rolling stock, including that which would otherwise have been available for leasing, as was the normal practice, into Canada.

In addition to that shortage of railcars, our harvest in the 1993–94 crop year was complicated by very poor quality. Added to that was a severe winter which limited unloading at country elevators and slowed movement through the system. The winter season through the Rockies was particularly difficult.

The port of Vancouver was tied up for a short while in an industrial dispute and we were stuck with one big transportation backlog. At one point there was a backlog of 41 vessels on the west coast waiting for grain. This situation cost Canadian producers about $35 million in ship demurrage charges imposed by the ship operators who were waiting in the harbour.

These factors along with others led many of our grains and oilseeds customers overseas to question Canada's reputation as a reliable supplier in the marketplace. In China, Japan and Korea last spring I heard those complaints firsthand. Our customers were not happy.

To avoid any finger pointing, buck passing or stalling, I called all the major operational players in the system together for a face to face meeting. It was held on May 16 in Winnipeg. They were to work out practical solutions to alleviate the immediate backlog problem and to prevent, as much as humanly possible, that situation from happening again.

The issues were also studied by subcommittees of the House of Commons standing committees on transport and agriculture and agri–food. Joint hearings were held in the spring of 1994. Again I want to commend those subcommittees for their very good work and for the production of a useful report.

I discussed the report in detail with all the private sector players involved in our grain handling and transportation system at the meeting in Winnipeg on May 16 and thereafter. I am pleased to say that not quite all but virtually all of the recommendations that came forward from those subcommittees have now been implemented.

The amendments before the House today have the support of the group of industry and labour leaders who are now referred to as the May 16 group. I hope they also have the support of the House committees that studied these issues last year.

At my invitation, the May 16 group of farm and industry leaders continued to meet about every two months or so through 1994. They were to deal with the immediate issues of getting our grains and oilseeds to port and to do a little brainstorming about the future direction of the grains and oilseeds industry in Canada.

• (1615)

At one of the meetings of that May 16 group held in October there was general agreement that the two amendments I have mentioned so far in my remarks today should be in place for the 1995–96 crop year. This would allow time for grain marketers and shippers to adjust sales and supply programs accordingly and to get used to the changes that are coming.

In a perfect world I would have preferred an earlier implementation date. However, it was broadly agreed that implementation of these two amendments part way through a crop year would add to congestion problems and thus aggravate the very kind of situation we were trying to solve. Therefore, we have selected August 1, 1995 as the implementation date unless there is a prior consensus in the grains industry that we could move more quickly than that.

Today we are more than half way through delivery of the 1994–95 crop. I am happy to report that we have made very steady progress in dealing with our grain handling and transportation situation. We caught up on that 1994 backlog during the summer. So far in this crop year the situation has improved.

I remember in the late winter and early spring of 1994 reading the newspaper stories and seeing the clippings of the situation that was developing in terms of that backlog at the west coast. The clippings were not very positive. Today we see newspaper stories from the Regina *Leader–Post* on February 2 talking about how the grain trains are rolling.

Another story on February 2 in the Saskatoon *Star–Phoenix*: "Grain cars are hopping". This is a much more positive scenario in the winter heading toward the spring of 1995 than we saw a year ago.

As of the end of January, half way through the current crop year, our grain transportation system has shipped some 16

million tonnes of grain, with 10 million tonnes through the west coast and 6 million tonnes through Thunder Bay. In the movement going both east and west our performance this year is 43 per cent better than at the midway point in the previous crop year.

Even more important, our grain handling and transportation performance to date in 1994–95 is also 20 per cent better than the long term five–year average. So far, so good. However, we are by no means out of the woods yet. We have half of the crop year yet to go. No one can take anything for granted or rest on any laurels. For the balance of this year we are going to need full co–operation and flat out top performance from all of the players in the system to get the necessary volume of grain through our ports and into export position.

Bill C–66 also proposes to eliminate the WGTA subsidy on wheat shipments to Mexico. This is obviously a separate issue from the other two I have been discussing so far this afternoon.

Last April the Mexican government, concerned that subsidized wheat imports from both the United States and Canada were having an adverse effect on its domestic market, launched a countervailing duty investigation. Canada participated in the Mexican government's investigation in order to ensure that all of the relevant facts were brought forward.

For example, we wanted to ensure that our Mexican friends and customers were fully aware of the fundamental differences between Canadian programs and policies like the WGTA and the far more insidious and damaging American trade distortions caused by things like the U.S. export enhancement program.

Our move now in Bill C–66 is to eliminate the WGTA subsidy on wheat movements to Mexico. It is intended to help resolve this outstanding countervailing duty investigation in Mexico as far as Canada is concerned and help ensure continued access to that very important market for Canadian farmers.

• (1620)

In the 1993–94 crop year Canada exported 909,000 tonnes of wheat to Mexico. If a countervailing duty were imposed by Mexico the potential cost to Canadian wheat exporters of losing that market could be over $22 million a year. It is obviously very important that we work hard to alleviate the Mexican concern.

It is very important to note, though, that this is not a case of unilateral disarmament on the part of Canada. The United States has voluntarily agreed to withdraw its use of its export enhancement program on wheat exports to Mexico. In addition, in order to safeguard the Canadian position we retain the option of reinstating the WGTA subsidy by order in council if that should be necessary and appropriate at some future date. Payment of the subsidy would end whenever Bill C–66 is proclaimed.

As I close, let me remake two points. First, the amendments contained in Bill C–66 are short term measures flowing from the circumstances experienced last year in the Canadian grain handling and transportation system. They have broad support from farm organizations and industry leaders. They are intended to take effect at the beginning of the next crop year or earlier if possible and reasonable. I hope the House will deal with them promptly and positively.

However, the important but relatively minor changes proposed in Bill C–66 will not be sufficient in themselves to fix everything that ails our grain handling and transportation system today. Broader reforms are necessary for four very strong reasons.

First, we must deal with the harsh reality of fiscal limitations and the battle against debt and deficits. Second, we must comply with the requirements of the new GATT agreement with respect to the disciplines that apply on trade distorting export subsidies. Third, we need to unlock new grain handling and transportation efficiencies, leading to a lower cost and faster system overall. Fourth, we need to foster greater agricultural diversification and a trend toward more value added processing and further processing.

To accomplish these objectives and to lay the foundation for the needed broader reforms, the Minister of Transport and I have been conducting two sets of comprehensive consultations with all of the players in the Canadian grain handling and transportation system over the last number of months.

For my part I have been concentrating on the issue of how the so–called Crow benefit under the WGTA can best be paid to western farmers themselves rather than indirectly through the railways.

For his part, the Minister of Transport has been focusing in his consultations on a broad range of transportation efficiency issues. In the next short while we will bring these two sets of inputs together in one set of comprehensive and inter–related grain transportation reforms. These will obviously go substantially beyond the short term measures that are put forward in Bill C–66.

While I am sure members will be anxious to debate Bill C–66 in great detail, I hope that will just whet their appetite for the larger debate that is to come a few weeks down the road.

My second and last point is to express my thanks to all of the farm leaders, farm organizations and grains industry representatives that have been intensely involved over the past several months in all of the various consultative processes I have referred to today. They have been involved since May 16 last year in the work that has led up to Bill C–66. The group of people who worked very hard at the May 16 meeting and in a series of meetings since that original encounter deserve a lot of credit for bridging their gaps and differences and working

constructively together to arrive at practical solutions to keep the grain moving and never mind the fights over turf.

• (1625)

The process that will lead to the broader reforms with respect to the WGTA that I just referred to has also been a process in which consultation has been extremely important. In that process with respect to the broader reforms very close to 100 different individuals, groups, organizations, private firms and levels of government have been involved in the consultative effort. They have worked very hard and very conscientiously to bring forward the best possible advice to address what all of us in this House know are some very thorny issues in terms of western transportation policy.

To all of those who have participated in this consultative process in the House of Commons committees that were involved, in the May 16 group as it evolved over the course of 1994 and most recently those who have been involved in the broader consultations about the future of the WGTA, on my own behalf and I am sure on behalf of the Minister of Transport and the government I want them to know that their efforts are very much appreciated.

[*Translation*]

Mr. Jean Landry (Lotbinière, BQ): Mr. Speaker, it is my pleasure to rise and speak on behalf of the official opposition regarding Bill C–66. This bill to amend the Western Grain Transportation Act, Bill C–66, has two main objectives.

The first is to implement measures to make rail shipments under the Western Grain Transportation Act, the WGTA, more efficient, in order to avoid the grain transport problems that a lack of railway cars caused last year. The problem was, in fact, that the railway cars were being rotated too slowly. The second is to eliminate subsidies on wheat movements to Mexico, which is on the brink of taking retaliatory measures against Canada.

I doubt that Canada will meet these objectives. First of all, the bill's scope is too limited and it is far from certain that it will be sufficient to prevent a situation such as that which arose last year regarding the lack of railway cars. We must also ask ourselves why the federal government has tabled this bill containing urgent measures. Does the government intend, in the near future, to table a much more substantial bill to substantially amend the WGTA? The draft bill on major reforms to the WGTA has been around for more than a year.

The WGTA has had a destabilizing and unhealthy effect on rail transport. Its effect has been to considerably distort the rail market. Take for example the subsidy of over $550 million that rail carriers receive for shipping western grain. This subsidy was distributed among all the rail carriers in addition to the very profitable network in the west, while a large part of the secondary network is in the east, and remains in a deficit position. It is understandable, under such conditions, that pressure by rail carriers to rationalize their network is strongest in the east.

In addition, the government considers preserving the rail network used to transport western grain an issue of national interest. In fact, the federal government has imposed a moratorium on abandonment of railway lines used to transport western grain. Many of these lines are nevertheless under–used and the western rail network has never really been rationalized.

From the viewpoint of privatizing CN, and given the mounting competitive pressures on the Canadian rail network, it is imperative and urgent that such a rationalization take place. It must, however, be carried out on the entire network of both national carriers.

Rationalizing the eastern network would only undermine the competitiveness of western carriers which would be stuck with an inefficient network. This is why the Bloc Quebecois has proposed a motion to lift the moratorium on the abandonment of western rail lines. Perhaps I may repeat it here.

• (1630)

To allow for fair and effective restructuring of the Canadian railway system and to ensure that our national railway carriers will be competitive in the future, the House urges the government to proceed with the following:

Cancel the order in council concerning the moratorium on abandonment of railway lines used for grain transportation in western Canada.

Revise the Western Grain Transportation Act and procedures for allocating grain transportation subsidies, so as to avoid distortion on the railway transportation market. It is the opinion of this House that allowing the railway transportation sector to operate on a more commercial basis would be beneficial for Canada.

Ensure that the criteria used by the National Transportation Agency to determine the merits of applications by railway companies to abandon railway lines are applied uniformly across Canada and to the entire railway network.

We make this request because the criteria used by the federal government to allow the abandonment of railway lines are extremely narrow and show a lack of vision with respect to transportation.

This government takes a dollars and cents approach to a sector that is crucial to economic development, especially in the regions. For instance, when reviewing applications for abandonment, it fails to consider the economic impact of operating a railway line. It is only concerned about the commercial viability of the line for the carrier. It is clear that negative economic impact of the abandonment of certain lines in Canada has been

more significant than the operating losses incurred by the carriers.

We realize that the railway network of Canada's two major railway carriers must be restructured if they are to be viable once again and able to compete with other carriers. Unless our railway carriers increase their productivity, they will not have the resources to update equipment and maintain a first class network.

However, the railways are vital to the national interest, and the government cannot afford to dismantle certain lines if it means losing major economic spin–offs. It is essential that the government take into account all possible economic repercussions when considering the application to abandon a railway line. Unfortunately, the financial vision of the federal government and its Department of Transport is simply too short–sighted to provide us with a modern and efficient intermodal transport system.

A sovereign Quebec would be better able to establish an effective intermodal transport policy reflecting the real needs of its people, as it would have control over all modes of transport. In particular, it would be in a better position to understand regional transport problems. We have no objection to the federal government withdrawing from the transport sector but it should do so completely by transferring regulatory powers and without destroying existing facilities simply because of financial considerations.

Let us take the example of the Chibougamau–Chapais–Chambord line in the Lac–Saint–Jean region. Many thousands of jobs are at stake in the softwood lumber, mineral, newsprint, pulp and precision cutting sectors. Eliminating train service, with or without transfer to a railhead in the Lac–Saint–Jean region, would have dramatic repercussions for 10 out of 15 businesses without a transfer and would affect profitability and result in eventual closure for 12 of them with or without a transfer.

In Abitibi, diverting all rail traffic to the road system would generate additional revenues of $830,000 the first year for the Quebec government, while the federal government's tax revenues would go down by $510,000 a year over the same period. On the other hand, increased road use in the Abitibi region would cost at least an extra $4.8 million a year.

• (1635)

As we can see, a traffic shift from rail to road would result in major cost increases especially since the local road system is in pitiful shape.

In spite of Transport Canada's efforts, roads, the bearing capacity of which is not even known, continue to wear down. Increased road traffic would not only make the road surface grind away faster, but it could jeopardize the road base in a very short time.

The government will indeed have to look at several issues in developing the future national rail transportation policy that Transport Canada had promised for this year. Unfortunately, nothing in the bill before us today addresses these substantive issues.

All this bill does is eliminate backtracking from Thunder Bay and impose storage charges on cars used for in–transit grain storage.

Bill C–66 makes only minor changes to the Western Grain Transportation Act, changes that will only marginally improve rail transportation in Western Canada.

Eliminating this practice of backtracking, where it was often most cost–effective for the shipper to ship Prairie grain to Thunder Bay and have it backtrack as far west as Winnipeg than shipping it directly to the United States at commercial rates, will save an estimated $4 million.

This amount, released by the Department of Agriculture and Agri–Food, will be used, however, to reduce average freight rates, that is to say the price paid by producers to ship wheat and barley.

No cuts will be made before the budget is tabled. The government is careful not to make any major or significant changes, changes which are nonetheless essential if we want to have an efficient transportation system.

The government is motivated by fear, the fear of a debate on the principle behind this issue. It is not only deplorable but also worrisome that the government not attempt to rectify a situation that could have a major negative impact on the Canadian transportation network and the Canadian economy. That is why we have presented a motion to force the Liberal government to act as soon as possible on this.

Over a year ago, on January 24, 1994, the Grain Transportation Agency made recommendations to expedite the streamlining of sidings. The information I am providing you comes from these recommendations.

First of all, regarding the Crow rate, the report suggests paying the subsidy to western grain producers and not to the railway companies, a position that is garnering increasing support. However, this is a form of assistance to western economic diversification that would be acceptable if the transition period is a reasonable one—the report mentions four years—and if after the transition period, the subsidy is transferred to an income support account to which all Canadian and Quebec producers would have access. That is, in fact, the position taken by the Quebec coalition on western grain transportation.

To speed up the restructuring process, the agency suggests expanding the definition of class 1 lines—those that can take loads of up to 220,000 pounds or whose shipments are not in excess of 500 tonnes of grain per mile, with the restriction that this would apply only to lines from where grain shipments

originate. This would exclude the CN line linking the Port of Churchill to the network. However, the agency recommends that the government assess the future of the silo in Churchill and its role with respect to grain exports. At the present time, class 1 lines extend over nearly 1,000 miles or 17 per cent of the 6,060 miles of grain branch lines, and carry 4 per cent of the total shipments.

• (1640)

Second, the report suggests allowing the inclusion in class 1 of lines judged to be no longer viable, where the cost of maintenance or renovation would be prohibitive. Assessments would be done by independent inspectors. Third, the report suggests immediately eliminating protection orders concerning unused lines, which may or may not be grain transportation branch lines. Fourth, it suggests setting the time limit for evaluating applications for operating alternative services at thirty days from the date of receipt of the application.

Many other recommendations could have been added to this bill which, I repeat, only deals with the most important issues.

Let us turn now to the second main objective of Bill C–66, the elimination of subsidies for Canadian wheat exports to Mexico. The government is taking this step because the Mexican government is preparing to impose countervailing duties on Canadian exports.

We know that the United States has not used its subsidy program—the Export Enhancement Program—for exports to Mexico since March 1994. Mexico is now asking Canada to follow suit. Yet American subsidies exist in other forms. Such subsidies may not be known as direct export subsidies, but they nevertheless give rise to unfair competition with Canadian exports.

I would like to know why this aspect is so strikingly absent from the bill to amend the Western Grain Transportation Act. Agriculture and Agri–Food Canada has provided the following explanation in a background paper: "An investigation of countervailing duties applicable to Canadian and American wheat exports has changed wheat exports to Mexico. The United States has eliminated sums paid under the Export Enhancement Program for wheat exported to the United States, and Canada has proposed to refrain from applying subsidized rates in accordance with the Western Grain Transportation Act for wheat exported to Mexico.'

Eliminating the subsidies applicable for wheat exported to Mexico will help achieve compliance with the maximum volumes stipulated in the GATT provision on subsidies and exports, for the category of wheat and wheat flour. This will allow us, the department asserts, to meet the goals of the North American Free Trade Agreement in respect of the gradual elimination of export subsidies by member countries. By changing its exports to Mexico, Canada will ensure continued access to this important market".

I would die laughing if I were American and, indeed, Americans often die laughing at our expense. In 1994, the United States imposed a ceiling on Canadian wheat exports. This measure was intended to control Canadian exports which had reached record highs. The Bloc Quebecois denounced this measure, given that Canada was not guilty of anything in the matter of the wheat, since it had dropped the export subsidy for grain destined for the United States. The Canadian government agreed to the ceiling set by the United States, deeming it an acceptable compromise and less expensive for grain producers than the American countervailing duties.

Since then, a study group has been set up to look at the question and to evaluate domestic subsidies in Canada and the United States. The results of the study will, I hope, mean a return to fairer trading rules. However, we do not believe that Canada is equal to the task in these bilateral negotiations with the United States on agricultural trade. Canada bows and scrapes, even when it has an airtight case. As we can see, this defeatist attitude is now having disastrous results for our trade with Mexico.

• (1645)

We are concerned about western grain producers who now will have to compete directly with American wheat exports to Mexico, knowing full well that they are receiving assistance from within. The Canadian government should have included this point in its discussions with Mexico. No, instead, Canada keeps quiet, says nothing and drops its export subsidy without hesitation.

Furthermore, I read with my own eyes that the bill would allow the Canadian government to reinstate, if necessary, the subsidy on exports to Mexico. Public servants specified that it would be possible to do that if, for example, the United States decided to reinstate its export enhancement subsidies on shipments to Mexico. This logic is surprising: Can we be sure that Mexico will resort to "fair" countervailing duties, both against Canada and against the United States? Have there been negotiations on this issue?

I invite the government to table as quickly as possible its more substantial bill, since one does exist—correct me if I am wrong. I find it hard to believe that the government hatched Bill C–66, which has a very limited scope, whereas a draft bill on a major reform of the WGTA has been around for a year.

It is true that the government, which is getting a lot of pressure from the west, the east and various interest groups affected by the WGTA, is in a difficult political situation, but is that a reason for tabling a bill that falls far short of remedying the situation? Is that a reason for giving in to the United States

and Mexico? That, nevertheless, will be the outcome of Bill C–66.

[*English*]

Mr. Jake E. Hoeppner (Lisgar—Marquette, Ref.): Mr. Speaker, I was kind of blind–sided here today. I did not realize Bill C–66 was coming up for debate so I have been—

Mr. Goodale: I hope you will do better than the last one.

Mr. Hoeppner: I will sure throw some junk at you if nothing else, hon. minister. I will take some time.

The Deputy Speaker: During this session of Parliament all the Speakers have been asked to make doubly certain that members put their comments through the Chair only, not because we are not going to sleep if you do not but it is because we are trying to avoid exchanges and tempers getting aroused across the floor. Therefore, I would ask the hon. member and all hon. members to please put their remarks through the Chair. If they are going to say the word "you" they must be referring to whoever is in the chair.

Mr. Hoeppner: Mr. Speaker, through you I will say to the minister that I will probably throw some junk, some garbage or maybe dockage, whatever you call it in the farm industry, because I was really surprised at some of the comments that I heard here today when I see how well we have done in this transportation system with this backtracking issue.

I would like to read what Mr. Ted Allen said to the standing committee on agriculture on our grain handling system on November 29, 1994: "We measure performance in this country against our transportation constraints. We say how much better we are doing because we had an abysmal year, so we do quite a bit better than in a really poor year. We never measure our performance against what the opportunity was and how close to maximizing the opportunity we came, which every other marketer I know of does".

Why have we not taken the opportunities when the subcommittee on transportation a year ago said to stop the backtracking, it is costing us millions and millions of dollars? Every member on that subcommittee said now. Every member on the agriculture committee said now. This is a violation of the Western Grain Transportation Act. This was a loophole that the grain companies and the railways found. We could not stop it.

• (1650)

It has cost us $15 million since last July 31 for this backtracking. Not only the backtracking has been the cost but the car allocation. We have failed to meet commitments again and again.

I will read another comment that Mr. Allen made. This was last year in November: "Yesterday I was talking to an elevator manager from Hargrave, Manitoba, who happened to be in my office. He was telling me that he has 25 orders for cars that he was supposed to have received a long time ago. The other day he finally got three of them". That is performance. I cannot imagine how much better we can get if that is the way we are running our railway system.

When I looked at the log book today from Vancouver for last October, November and December and saw that a ship sat there for 27 days waiting for grain to be loaded, I think we have room for improvement. It does not seem to me that if we made 40 per cent improvement in the last six, seven or eight months why these ships are waiting that long. We want to congratulate each other when we do make improvements but let us not overdo it. We could become very complacent in this House.

The other thing I would like to address is the Mexican issue. I was not aware that there was a trade action against us until we were briefed by the agriculture people the other day on Bill C–66.

I asked why we are stopping backtracking to Mexico. Are we shipping grain to Mexico? I thought this was a backtracking bill. They said: "There could be a few loads going in that direction. We will have to find out. We do not know". That is how knowledgeable the people were who briefed us on this.

After a few phone calls I finally found out that Mexico had a trade sanction against us for shipping subsidized wheat to it; not just to us, also to the Americans.

If the members will read the Canada–U.S. free trade agreement they will start to realize that the Americans promised not to dump EEP wheat into our markets, of which Mexico is one. That is where the problem started. That is why there was a trade sanction against us.

If this government is trying to tell us that Mexico can take action against us with a trade sanction, I want to ask under what kind of clout or under what kind of conditions it can do that.

Mexico has a trade surplus of almost $3 billion with Canada. Where in the heavens can a trading partner tell me that I am not trading fairly when I import four times as much as it takes from us?

Statistics Canada says that out of a $37 billion trade surplus that we have with the U.S. we dwindle that down by $20 billion with other countries like Australia and New Zealand which bring in boneless beef by the thousands of pounds. Our farmers are going bankrupt.

Is this the way our government is trading? Is this how we get trade actions against us? It sure seems like good business to me. No wonder we are going bankrupt.

The trade surplus it has with us is $2.77 billion in total products. It could be other than agriculture. These are Statistics Canada figures that I am using. If they are not correct maybe we can get rid of Statistics Canada.

It is time Reform starts throwing a few of these figures around. When I see Australia with a trade surplus of $181 million wanting to bring in more boneless beef, and I see New Zealand with a $126 million trade surplus wanting to bring in more beef, where do we finally go with our beef? Where do we finally get the jobs that we were promised in that nice little red book? We have to start milling our wheat, we have to start milling our pasta, we have to start doing something.

• (1655)

As a farmer I know that if I continually buy more than I sell I am going to have a big problem. This is what has happened to this country. It is not just interest rates. If we take $20 billion trade deficits and borrow that at 8 per cent, just figure that out.

Mr. Goodale: We have a trade surplus, what is the problem?

Mr. Hoeppner: With Mexico? I would like to see it. We have a trade deficit. Mexico has its trade surplus. I am afraid that the Liberals are completely lost in the dust and they have even lost the field. They are somewhere in the neighbour's. When they cannot take Statistics Canada figures and read them that shows what is happening. Something is wrong.

I will give the hon. minister a minute to look at that and see whether my eyes are that bad or whether I am that old that I cannot see what a surplus or a deficit is. While he is looking at that, I would like to talk about another item, the Churchill issue.

This is what Mr. Allen said about a boatload of grain to Mexico. Tell me whether we are giving it a bad deal or not. We had a 25–tonne vessel going to Mexico in November 1994. The Mexicans bought number three red wheat. We loaded 9,000 tonnes of number one red, 5,000 tonnes of number two red and the balance, which was less than half the cargo, was number three red which they bought. I would sure like to throw a trade action against the partner that gives me number one wheat instead of number three.

Where does the trading sense of this government come in? It amazes me that these things go on and we sit idly and say everything is good in this country, we are only $540 billion in debt, so why not a few hundred billion more?

I look at Bill C–66 and look at three little clauses that took a lawyer a whole year to draw up, that has cost us $50 billion in backtracking costs, delayed cars for I do not know how many days. We are behind in canola shipments months and we are still doing a great job? Why do we not pat each other on the back?

I went up to Churchill last July. I wanted to see how efficiently the agriculture department was running everything. I was there the last day in July. There was a ship coming in that wanted to load 40,000 tonnes of grain and there were 4,000 tonnes in that whole terminal, five million bushels. That is performance?

We have ships sitting for three weeks waiting to pick up grain out of Churchill, of all places, where nobody wants to buy grain from. That is performance and I am supposed to be quiet here and sit silently by and let these things go on and pat hon. members across the way on the back?

I am sorry, hon. members, I was elected to start things moving in this House. I hope I can accomplish that. I hear giggles and I hear screams. They must be listening so I must be accomplishing something. We will have to paint these ships a faded red so that they will start getting a little more action into their process and loaded a little faster.

• (1700)

I went over to Robert's Bank when I was in Vancouver and I saw a 150,000 tonne coal ship loaded within a day. Then I saw what the consequences were. That company paid the terminal $5,000 to load that ship within the three–day limit. We wait 27 days to load a ship with grain. We have a tremendous system going for us. I cannot comprehend the amount of stress, disappointment and disillusionment in the farm community with this kind of system.

For 10 years now the WGTA has held the railway system and the grain companies hostage so that the system cannot be revamped. The Minister of Transport said the United States railway system is 64 per cent more efficient as far as labour is concerned. Are we doing a tremendous job in Canada? When are we going to face the facts? When are we going to take charge of these problems and do something?

Mr. Goodale: What about the freight rates?

Mr. Hoeppner: I do not know what the freight rate is. But I can tell the member what the handling charges are. If I ship a bushel of grain from my point to Seattle, compared to my point to Vancouver I will save $16.50 per tonne. If 20 million tonnes are shipped out of Canada that is $320 million that came out of the pockets of farmers, just in the elevator system. That is without the transportation system.

Someone tell me why farmers need subsidies. It is because somebody is pulling it out of their pocket faster than they can put it back in. That is not going to last forever.

An hon. member: Be careful. They will ask for examples.

Mr. Hoeppner: Mr. Speaker, I would like to read another statement by Mr. Hehn, chief commissioner of the wheat board. When I asked him about the backtracking he said: "It is not a wheat board issue". The chairman of the agriculture committee said: "Thank you". Mr. Hehn replied: "Our job is to maximize returns for farmers and if the backtracking option is there, we

are going to use it''. He does not care a hoot how long it ties up cars or how inefficient it makes the system as long as he can move a bushel of wheat that is worth $3. Forget about the canola that is worth $8, $9 or $10. That is efficiency. That is the kind of efficiency this Liberal government is promoting.

It is time for somebody to take the bull by the horns and do something. There is a lot of bull on that side. We hear a lot of it. We are not short of that.

Mr. Silye: The backbenchers are getting restless, Jake.

Mr. Hoeppner: Maybe it is time they got restless. Maybe it is time for them to get a few ants in their pants and start moving on some of these issues. When I hear that it takes a whole year to draw up a bill like this, I have a feeling we will be all dead before it is implemented.

Maybe I have said enough. I do not want to wake the hon. members up too much because they might not be able to sleep very well tonight. We would like to see them back here tomorrow morning and go at them again.

It is real pleasure to address these people. We know they try their best. There is not much they can accomplish in a year so we will give them another year or two.

Mr. Bernie Collins (Souris—Moose Mountain, Lib.): Mr. Speaker, I appreciate the opportunity to speak on this very important issue, the amendment to the Western Grain Transportation Act tabled by the Minister of Agriculture and Agri–food, dealing with Bill C–66 as put forward on December 15, 1994.

Bill C–66 is a short term response to problems that have arisen in our grain handling and transportation. It will help ensure speedier delivery of Canadian grain to our customers around the world. Bill C–66 is not intended to be a substitute or a reform to the system.

• (1705)

I am convinced the short term amendments presented to the House today will benefit all those concerned. These changes will see an end to the system of backhauling through the U.S. and allow grain to qualify for WGTA subsidies. The amendments will implement a system of demurrage and storage charges on rail cars that are misused by shippers for storage purposes. They will end the WGTA subsidy on grain shipments to Mexico and ensure continued access to important markets.

These corrective measures were initiated by a group assembled by the Minister of Agriculture and Agri–Food on May 16, 1994. We all realize the WGTA has some weaknesses that need to be reformed that can no longer wait to be dealt with.

As the Minister of Agriculture and Agri–Food said, maintaining the status quo is an option that makes less and less sense. Longer term reform is essential and it is essential to achieve a compliance with the new World Trade Agreement. It is essential because the current subsidy distorts markets, encourages producers to ship grain to markets rather than processing it. It is essential to respond to the country's fiscal responsibilities with fewer government dollars. It is essential to promote the economic growth and diversification across the prairies.

I would like to discuss these long term reforms today. As members know the federal transport minister is now in the process of concluding extensive consultations on a package of grain transportation efficiencies. At the same time, the Minister of Agriculture and Agri–Food is concluding productive consultations with major key players of the sector on the future method of paying the WGTA benefit.

Throughout these consultations leaders of farm groups and industry have been given the opportunity to make significant contributions by going over specific questions on how best to allocate WGTA funds. The intent of these consultations was and still is to elaborate effective and viable solutions that will fit the long term needs, be comprehensive in nature and be progressive for the industry.

The question is not about whether to change the WGTA but rather the best way to deliver the program to Canadian farmers. If the WGTA is left unchanged, the GATT could have significant impacts on certain crops such as canola.

We basically have two choices. We can change the WGTA so it is no longer within the definition of an export subsidy, or we can continue to pay the railways, but do so only with volume and monetary limits allowed by GATT. If we choose to continue to pay the railways, there will be immediate and severe restrictions on the volume shipped through the west coast and Churchill. That will be a problem with regard to the eligibility for subsidy.

For the first few years, the monetary limitations are not a significant problem, because the value of the WGTA has declined over the years from its peak amount.

However, the volume limitations are the major problem. Volumes have gone up dramatically, specifically in the new crops like canola and other specialty crops. The GATT value limiting oilseeds and special crops will very likely be reached sometime during the first part of the 1995–96 crop year.

That means sometime during that year shippers will suddenly run out of subsidy. As the volume exceeds that level, they will have to pay the full cost of the WGTA to the ports of Churchill and the west coast. Once those volume triggers are reached a tremendous problem will be created for them. That is obviously untenable and unacceptable.

• (1710)

There have been suggestions that if we were to subsidize all the grain movements into British Columbia, not just those for export, we might be able to disguise the situation. This would be called a domestication argument. It is an interesting concept but in reality it would likely not work.

The GATT agreement states that the export subsidy provisions shall not be applied in a manner which threatens to lead to circumvention of export subsidy commitments.

The notion of domestication is clearly and admittedly an attempt at circumvention. Canada cannot expect other exporters to allow that to go by unchallenged. The U.S. and the European Community would most certainly complain and probably win. If we were to expect them to honour their GATT commitments, which we do, then certainly it is incumbent upon us to be prepared to do the same.

Three options on the future method of paying the WGTA benefit are now being considered. One was put forward by the producer payment panel in June of 1994 and one by the Alberta government one month later. The third alternative consists of an upfront buyout plan. This type of option has been discussed and there will be a process worked out in the very near future. I know that the University of Saskatchewan has professors putting forward ideas.

Let us look at the producer payment panel recommendation. It suggests that across the prairies the benefits of the WGTA be distributed directly to producers. Producers would initially be paid on a cultivated acreage and then phased into an arable acreage payment. The panel also recommended that some of the funds be put into safety nets.

For its part, Alberta proposed allocating each prairie province their historic share of WGTA funds and allowing variations on how the payments would be paid to producers within a set of principles. The Alberta government proposal recommended against putting WGTA funds into safety nets. That was also supported by the Government of Saskatchewan.

In the near future the Minister of Agriculture and Agri–Food will bring all of the input received together in a reform to be presented to Parliament for its final consideration. The proposal will have to be consistent with the new rules of the World Trade Organization and will have to fit with our fiscal realities.

We still have some work to do before we reform the WGTA. The major amendments to be addressed on long term issues will be introduced soon. In the meantime, I urge all members to support the short term amendments contained in Bill C–66.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I listened to my colleague from Saskatchewan talk about the initiatives which the government is undertaking, but there are a lot of things that he neglected to mention. Perhaps I might take a minute to remind him of a couple of them.

First, the government caved in on protecting durum producers, and maintaining the most rapidly expanding market, which is the market in the United States. Mr. Speaker, can you imagine if half of our car exports to the United States were suddenly cut off. There would be a hue and cry. The government did nothing to oppose the cut in the export of durum to the United States.

It is one of the most disastrous policies undertaken by the government and by the current minister of agriculture. It has the potential to be devastating to durum producers if they lose such a strong market. In this market, the buyer pays cash and the producers do not have to work on loan programs and offer credit to the purchaser. The producers are receiving good dollars for their product, which is the best in the world.

Also the potential is there for the government to cave in as far as the sugar industry is concerned. The minister of agriculture has not come out strongly and said he would stand up to the Americans in their rumblings about taking trade actions against us on sugar.

• (1715)

We know the current government has been pitifully slow at reforming and reorganizing the department of agriculture and producer support programs. We know that the government has wasted a year on this backtracking issue. We are talking about it in February 1995 and the Liberals took power in 1994. Of course the Conservatives before them balked at fixing one of the most stupid problems we have ever faced in western Canada.

I am now wondering what steps the member's government is taking to prevent another serious disaster in the western Canadian grain economy that would take place if there were a disruption in grain movement to port created by a rail strike. What steps is the government taking to prevent a potential disaster?

Mr. Collins: Mr. Speaker, concerning a number of the observations made by the member opposite with regard to the minister of agriculture, I think his dealings on many issues, whether it be on sugar, barley or durum, have been very concise and accurate. They reflected the needs and wishes of the agriculture community of Saskatchewan and of Canada.

With regard to the problem that may be confronting us at the end of this month concerning rail companies and whether they will continue to provide service through their unions, I along with the member opposite have real concern about what will happen.

However, I can assure the member that the Minister of Transport and the minister of agriculture will deal with those situations in a very proper, efficient and significant manner to look after the farmers of Saskatchewan, Alberta and any other province. I appreciate the member's concern, but I think he will see that they will deal with those matters very quickly as they have with all other matters.

Mr. Jake E. Hoeppner (Lisgar—Marquette, Ref.): Mr. Speaker, I have a question for the hon. member for Souris—Moose Mountain. I know he supports the government quite fully and he is a good Liberal. I congratulate him and pat him on the back for that.

We had a trade agreement signed by the agriculture minister with a peace clause in it that we would not be harassed by the Americans any more. I see now they are starting to use the end user certificate against us. This is a real detriment to farmers.

What could the member do to influence the agriculture minister to get a little tougher on some deals that he has made to make the Americans, the Japanese, the Mexicans or whomever live up to the agreements that were signed?

Mr. Collins: Mr. Speaker, with regard to end user certificates, the hon. members knows that we have them. I understand what he is saying. Certainly we want to be assured that we are playing on a level playing field with our counterparts whether they be the United States or any other country.

I share the concern that when we enter into an agreement we expect that those people are going to live up to and honour the agreement. I have some problems when they use the export enhancement program improperly. It is a program that will have to be reviewed and they will have to be accountable in the world they trade in.

They are going to be challenged by all of us, Canadians and all other countries, to play on a level and fair trading field. You will see that they will be forced to reduce their export enhancement program. That is something all of us share. We want to deal with all our counterparts throughout the world in a fair way.

The Deputy Speaker: I would ask all hon. members not to say "you" when referring to other members.

The hon. member for Vegreville is not the culprit; he has not spoken.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, I also have a few comments and a question for the member.

The member was talking about the proposed changes to the WGTA. I would like to ask a broader question with regard to future reform of the WGTA. In particular I would like to ask the member if he believes when the National Transportation Act replaces the WGTA that reform is necessary to the National Transportation Act to make it work in the grain business.

• (1720)

As the WGTA has changed there are other restrictions that will have to be removed to make the whole transportation grain handling industry work, particularly the Canadian Wheat Board.

I would like to ask two questions with regard to the Canadian Wheat Board. First, does the member favour a board of directors elected by farmers to replace the appointed commissioners? Second, does the member support the use of a plebiscite to allow farmers to decide what they want the Canadian Wheat Board to be in the future?

Mr. Collins: Mr. Speaker, with regard to the questions directed to me concerning the Canadian Wheat Board, the member will find that our party is on record as being in support of the farming community at large wanting to make some changes. That is the direction in which we would want to go. The farming community should be able to do that. We are certainly not in opposition to that kind of approach.

With regard to the Canadian Wheat Board and the structure that is in place now, I feel the process is a good one in terms of those who are elected and serve.

The hon. member is right, though. Those members who served on the Canadian Wheat Board have a commitment. We know that their job will be carried out properly. We feel as well that the Canadian Wheat Board like all boards needs to be reviewed from time to time and improved.

Mr. Glen McKinnon (Brandon—Souris, Lib.): Mr. Speaker, I rise to support Bill C–66, an act to amend the Western Grain Transportation Act, the WGTA. The bill received first reading on December 15, 1994, just prior to the House rising for its Christmas break.

I would imagine all hon. colleagues are well advised that the minister has been consulting with all sectors of the agri–food industry and all political colleagues in neighbouring provinces on these major reforms to the WGTA.

As I mentioned earlier, Bill C–66 deals with three issues. I intend however to speak only to the issue of exports to Mexico, which is very important to NAFTA and other trading arrangements Canada has recently entered into.

On April 4, 1994 the Government of Mexico launched a countervail duty investigation of both Canadian WGTA wheat shipments to that country and U.S. exports under its export enhancement program or its EEP. At that time Mexico had concerns that wheat imports from Canada and the U.S. were affecting its domestic market. It believed that the WGTA was a subsidy which along with U.S. EEP subsidized wheat sales into

Mexico. This was affecting the price of wheat received from Mexican farmers and grain companies.

Over the following months our federal government participated in the investigation of the Government of Mexico and wanted to ensure that all facts were brought forward explaining Canada's grain marketing system. After much discussion the federal government reached a negotiated resolution to Mexico's concerns about the impact of Canadian WGTA supported wheat exports to that country. Under the agreement Canada will refrain from making payments under the WGTA on Canadian wheat shipped to Mexico. In return, Mexico's current countervailing duty investigation of Canadian wheat exports will be terminated.

• (1725)

The federal government has always indicated its preference for a negotiated solution to this matter rather than run the risk of having excessive countervailing duties in place.

I know there are some people in Canada, indeed some in the House today, who will cynically see the agreement as a loss. These people will point to it as an example of Canada making concessions while receiving nothing in return. As usual this is not the case.

First, the agreement will in no way interfere with or limit the amount of high quality wheat Canada can export to Mexican customers. The Canadian Wheat Board has already indicated to the federal government that it will continue to have a major presence in the Mexican market even with the voluntary withdrawal of WGTA.

Second, perhaps the greatest benefit is that the U.S. has voluntarily agreed to withdraw use of the export enhancement program from Mexico. Mexico was not included in the recently issued list of countries eligible for U.S. EEP allocations for the 1994–95 marketing year. In the previous year, 1993–94, Mexico's EEP allocation for wheat was some 1.4 million tonnes. This move by the U.S. to rein in its EEP restores a level playing field in that market with the result that prices will increase to North American levels.

Should the U.S. at some point decide to revert to its trade distorting subsidy program and resume using EEP on a large scale in the Mexican market, Canada will use NAFTA provisions to request the Government of Mexico to resume its countervail duty against the EEP.

The hon. Minister of Agriculture and Agri–Food has often referred to the EEP as "the most trade distorting program on the face of the earth". Anyone who is even remotely familiar with Canada's recent bilateral agri–food trading relations with the U.S. will attest to the accuracy of the remark. By agreeing to remove WGTA payments on wheat to Mexico, Canada has in effect restored a level playing field or contributed to such in the Mexican market. I might add that this is a growing and promising market for Canadian wheat in the future.

Bill C–66 will permit Canada to continue to sell wheat into the Mexican market without having to worry about possible excessive countervailing duties. It will also be able to do this without having to worry about competing against EEP and the billions in the U.S. treasury.

Mr. Jake E. Hoeppner (Lisgar—Marquette, Ref.): Mr. Speaker, I would like to ask the hon. member for Brandon—Souris whether he is not a little concerned about Thunder Bay since wheat going to Thunder Bay is not declared an export subsidy. How is he going to keep wheat from Brandon—Souris going to Thunder Bay? I am sure the Mexicans are going to refuse it if there is a subsidy on it. Could the hon. member answer that question?

Mr. McKinnon: Mr. Speaker, our wheat from Brandon—Souris will be going everywhere.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, I have a few comments and questions for the hon. member for Brandon—Souris.

The first one is to ask the hon. member what impact removing the WGTA subsidy on shipments to Mexico will have. What kind of an impact will it be? How many tonnes or how many dollars are we talking about in that regard?

Second, I would like to ask the same questions I asked the last speaker from that side of the House concerning the Canadian Wheat Board. It fits in with the WGTA because of the restriction that comes into play due to the Canadian Wheat Board Act. There are two things in particular. Does the hon. member opposite favour replacing the appointed commissioners who now control the Canadian Wheat Board with a board of directors that would be elected by farmers? Would the hon. member favour a plebiscite which would allow farmers to determine exactly what the wheat board would be and how it would work?

• (1730)

Mr. McKinnon: Mr. Speaker, I will work in reverse on the questions. In terms of a plebiscite and getting membership on the wheat board, I have concerns to some degree about the political process that may come into play by having people seeking the appointment, perhaps currying favours in some areas geographically, somewhat like the advisory committees to the wheat board.

I believe the first question was on the impact of the WGTA subsidy being removed. The minister indicated that there were 909,000 tonnes or $22 million in place. I have no reason to believe that is necessarily going to change. However, I do not have any data at my disposal to honestly answer the question.

Mr. Jake E. Hoeppner (Lisgar—Marquette, Ref.): Mr. Speaker, I know the hon. member for Brandon—Souris is good with figures. He was in the teaching profession for a long time. The data I have are from the Grain Transportation Agency. I seem to be getting data that are no good. I hope these are good.

They point out that a rail car going to Vancouver travels at a rate of 5.05 miles per hour and one going to Thunder Bay travels at 3.62 miles per hour.

I wonder if he thinks this was excessive speed for these rail cars or whether somehow the Liberals could speed up that whole transportation system a bit.

Mr. McKinnon: Mr. Speaker, it is simply because of those high mountains. Once we climb to those heights, it runs downhill all the way to the west. To the east it is because of the high air density that is created from Winnipeg that blows in that direction.

Mr. Benoit: Mr. Speaker, I would like to ask the hon. member a question. It has to do with the Canadian Wheat Board again.

The first question was whether the hon. member favours an elected board of directors to replace the appointed commissioners. Second, following the election of a board of directors would the hon. member favour the use of direct democracy plebiscite, and it can be controlled, as a mechanism for determining what the wheat board would be in the future?

Mr. McKinnon: Mr. Speaker, if I may be so bold concerning plebiscites, having served as a mayor of a community for many years I have had great concerns about engaging in the plebiscite game. Once you start, where do you stop?

In terms of elected representation, I have no problem if the farm community feels that is the most applicable means of putting a knowledgeable board in place. I sense that the majority of appointed commissioners have a very strong agricultural background that makes them very effective.

In terms of whether elected they could do a better job, I do not feel I can evaluate that kind of question.

Mr. Gordon Kirkby (Prince Albert—Churchill River, Lib.): Mr. Speaker, it is with great pleasure that I rise again today to speak in support of Bill C–66, an act to amend the Western Grain Transportation Act.

I wish to sincerely thank and congratulate the minister of agriculture for bringing forward more legislation to assist the prairie farmer in a very positive way.

• (1735)

This legislation is the result of identifying a longstanding problem that has existed within our nation for many years, bringing together all of the stakeholders who were affected by the existing circumstances or will be affected by the proposed changes and by working together with them to find an appropriate and fair solution.

Our minister is a problem solver and has already contributed much to assist the economic well–being of our prairie farmers. The successful completion of the Uruguay round of the GATT was good for Canada. By agreement the Americans and the Europeans will be forced to reduce unfair subsidization of agricultural products, thereby making Canadian agricultural products more saleable and competitive on the world market.

The minister—

The Deputy Speaker: The bill, as the member will know, is summarized in two sentences. There is a rule we are all expected to obey in this House called relevance. In borderline cases the member should be given the benefit of the doubt, although the Speaker has frequently admonished members who have strayed in debate.

I would respectfully bring that to my colleague's attention and ask him please to remember the relevance rule in his further comments.

Mr. Kirkby: Mr. Speaker, if I might, this is a preamble very much fitting in and leading up to the bulk of my statement. Further, with respect to other speeches I have heard today I would submit this line of discussion is perhaps far more relevant than others that have existed. I wish to continue this line.

The minister also found a solution to the troubling durum wheat dispute with the United States, retaining for Canada an upper limit of shipments of wheat well above historic levels, thereby allowing Canadians farmers to continue shipping our high quality product to the United States.

Our minister of agriculture has developed a very predictable pattern to resolve problems in agriculture. He identifies the issue, he consults broadly with all stakeholders and in consultation with these stakeholders he puts forward concrete solutions to help our farmers.

Bill C–66, an act to amend the Western Grain Transportation Act, follows that successful approach. The purpose of these amendments is to eliminate the WGTA subsidy on movements to Thunder Bay of grain subsequently moved westward by rail to destinations in the United States.

Second, these amendments will provide the railways with the authority to implement demurrage and storage charges and dispatch rail cars carrying grains, crops and products under the WGTA.

Third, these amendments will eliminate the WGTA subsidy on wheat shipments to Mexico. In respect of the Thunder Bay backtracking, the way the present WGTA subsidy operates is to encourage the rail companies to ship grain to Thunder Bay from the prairies. When they wish to ship it to the United States, they ship it all the way back to either Fort Frances or Winnipeg before it is shipped to the United States.

The problems with this approach are many. It increases the time grain cars are in use, therefore reducing the speed at which grain can be shipped to market. It costs the government money to send the grain the extra miles. I do not think the grain really appreciates the extra scenery the taxpayers are paying for.

This amendment will reduce the cost to the Canadian taxpayer and will enhance the reliability of Canada as a shipper and seller of high quality grains. An improved reputation as a supplier will increase the demand for our product. No doubt because of its very high quality, when we have this very stable and enhanced reputation as a dependable supplier the buyers are going to come. All of this will be good for the Canadians farmer. Certainly that is very good news.

Presently under the WGTA storage and demurrage costs cannot be charged against cars hauling grain qualifying for the subsidy rates. This has resulted in grain cars being used for storage of grain, sitting there holding the grain, but not moving it.

• (1740)

Grain cars were built to move grain. With this type of amendment that is what they are going to be doing. Allowing for storage to merge and dispatch will ensure quick transfer of grain to market and will further enhance Canada's reputation as a prompt supplier of high quality grains.

This bill will alleviate the countervail duty investigation currently lodged against Canadian wheat exports by Mexico. The removal of the subsidy will be beneficial in meeting the volume limits of the export subsidy provisions of the GATT for wheat and wheat flour categories. Canada, therefore, will maintain access to the growing Mexican market.

I wish to once again thank our minister for acting, after consultation, in a very prompt fashion to get the grain moving in western Canada. He is doing a great job. One problem at a time, our system is improving.

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I was wondering if the previous speaker could tell us why the Liberal government waited for 18 months before introducing this very minor piece of legislation which is going to have a great effect on the way we ship grain around on the prairies.

He mentioned that he could only see that we were going to save a little time and a little money. He forgot about efficiency and I think he forgot about straightforward common sense. I cannot imagine why we would be moving grain to Thunder Bay and back again for 16 months before this government gets around to doing anything after "W5" highlighted the program and basically acted as its eyes and ears.

What about fairness? The Minister of Finance tells us he wants to be fair. Why should the Canadian taxpayer be paying taxes to move wheat to Thunder Bay and back for 16 months while this Liberal government sat around saying there is no problem with the way it spends money in this country? It took a television program to point out to the government that it was a ludicrous waste of money. The Reform Party is saying multiply that a thousand times. We have identified $10 billion in savings, this being one.

I would like to ask the hon. member why the government has waited this long to save this amount of money when it could have been done a year ago and we could have been further ahead.

Mr. Kirkby: Mr. Speaker, the minister of agriculture and the government have been aware of this problem and have acted with all the haste possible in order to fix the problem.

Hon. members opposite only learned about this problem from a television program. The people on this side of the House were aware of it before it was televised and publicized.

This government believes that in order to get an effective settlement and an effective solution we need to discuss these types of issues with all of the stakeholders involved. There are many people who will be affected by the changes which are being brought forward. The government and the minister of agriculture needed to have full discussion with these people to devise the best solution possible for the people of Canada.

People on this side of the House believe in consultation and long term effective solutions, not solutions which will come unravelled overnight because of lack of preparation and lack of thought, which is what the Reform Party would like to see happen.

Mr. Jake E. Hoeppner (Lisgar—Marquette, Ref.): Mr. Speaker, the Western Grain Transportation Act was instituted in 1984. This loophole has been there for 12 years and the government knew about it. Why did it have to wait this long?

I would suggest that special interest groups had a lot to do with it because the railways were milking the system, the grain companies were milking the system, and the cow has gone dry. We have a debt problem and finally we are starting to realize it.

I would like to ask the hon. member why the government did not realize this faster when the problem was there 10 years ago.

Mr. Kirkby: In 1984 there was a different government in place, one that you no doubt supported. With respect, our minister of agriculture has moved forcefully and quickly in bringing people together to get a solution that is going to work for all Canadian taxpayers, including the Canadian farmers.

• (1745)

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, clause 2 of this very short bill deals with the issue of allowing under the WGTA for demurrage and storage charges for grain that is being stored on rail cars to be levied against the railway. How does the hon. member opposite see this being implemented? Will it be used? If so, how often?

We know that rail cars are used for storage in many cases and certainly the system is not efficient. There is an average turnaround time of 20 days or more, the same as 80 years ago. How does the hon. member see this part of the bill being used to ensure quicker turnaround and more efficiency in the rail system?

Mr. Kirkby: Mr. Speaker, the portion of the bill dealing with demurrage and storage charges will encourage the rail companies to utilize the grain cars to move the grain as opposed to letting it sit there, storing them, or leaving the cars sitting around.

There have been many problems identified on this issue. Each one of these little pieces goes together to make for a more efficient grain system. That is what the minister has set out to achieve. That is what he will achieve by utilizing this type of system to encourage the people to move the grain. It is better for us to pay for grain to be moved than pay to have it sit.

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe, Lib.): Mr. Speaker, it is a pleasure for me to take part in this debate on Bill C–66, an act to amend the Western Grain Transportation Act.

As the Minister of Agriculture and Agri–Food has already indicated, this bill covers short term amendments aimed at addressing inefficiencies that have been identified in our grain transportation and handling system.

Specifically, Bill C–66 would authorize the railways to implement demurrage, car storage charges, and despatch. It would also eliminate the WGTA subsidy on grain movement to Mexico and end the practice of routing U.S. bound grain to Thunder Bay and backhauling it to Fort Frances or Winnipeg before finally sending it into the United States.

Until now the railways' inability to levy demurrage charges or car storage charges has led to the use of rail cars for storage purposes, as was just stated by the member across the floor. It obviously reduces the efficiency and effectiveness of the grain car fleet. We do not know where our cars are. They are all over the place. They could be in the United States. They could be anywhere. We end up putting more cars into the system.

As a result, we need more cars to move our grain than what we should need. The backtracking practice has evolved because it is cheaper for a shipper to send U.S. bound grain to Thunder Bay in order to qualify for the WGTA subsidy and then backhaul it to Fort Frances or Winnipeg before it is moved at commercial rates to destinations in the United States than it would be to ship it directly at commercial rates.

Using Winnipeg as a reference point, this practice increases the length of grain haul by about 450 miles over CN lines and about 860 miles over CP tracks. This practice is clearly inefficient and results in longer car cycle times and less effective use of the grain car fleet. In the 1993–94 crop year, 1.1 million tonnes of grain were shipped to the U.S. via this scenic route.

Regarding the removal of the WGTA subsidy on wheat shipments to Mexico, we expect that the amendments in this bill will resolve the current countervailing duty investigation in Mexico and ensure our continued access to an important market for Canada.

• (1750)

It is important to note that these proposed changes are short term amendments only. They are not intended to replace comprehensive reform of the WGTA. I should also point out that they have received widespread industry support.

In fact, these changes were suggested by and have support in principle from the subcommittees of the House standing committees on transportation and agriculture and agri–food, as well as the May 16 group which includes representatives from grain companies, the railways, labour and management.

Both of those forums have suggested a number of initiatives to reduce inefficiencies, improve the capability of the grain transportation and handling system and facilitate the movement of grain to markets. Many of their suggestions have been implemented. However, some of the proposed changes require legislation, hence the bill we are debating here today.

The government would like to proceed with these short term amendments now in order to eliminate the subsidy on wheat to Mexico as soon as possible and to ensure that demurrage and backtracking issues are dealt with before the 1995–96 crop year which begins August 1, 1995.

As I indicated earlier, there was agreement in principle to eliminate these inefficient practices. After further consultations, a consensus emerged among the May 16 group that the WGTA amendments should take effect at the beginning of the crop year. The group favoured this timing because it would allow time for grain marketers and shippers to adjust sales and supply programs accordingly.

It is important to note that although August 1 has been selected as the implementation date for some of these changes, the amendments dealing with demurrage, storage charges and despatch as well as backtracking could be implemented earlier if the government is satisfied that there is sufficient agreement

between the railways and the shippers on the commercial details of the changes.

I would like to make it clear that this proposed legislation in no way lessens this government's commitment to making decisions on broader WGTA reform in the near future. The passage of this legislation will enable the government to continue with the consultations that are so vital to the development of the long term solutions for problems in our grain handling system. At the same time, it will address the immediate problems which members of government and industry representing the grain companies, the railways, labour and management have identified.

Members of the House, I ask for your support in the rapid passage of this legislation. The measures proposed by Bill C–66 will help make Canada's grain transportation more efficient and better able to meet the needs of our customers around the world.

Mr. Jake E. Hoeppner (Lisgar—Marquette, Ref.): Mr. Speaker, I always enjoy the hon. member's comments. We have served on the standing committee for awhile and I have always appreciated him and know he is also a good farmer.

The only thing I am surprised at is that he forgets we have calendars. There was a crop year on August 1, 1994. In the spring of that year the standing committee stated that it should be stopped, that it was illegal and it was costing us money. I would suggest that if this government is not going to work faster in implementing legislation, some day in the hon. member's chicken business all the eggs will be hatched and nobody will have eggs for breakfast, putting his whole industry in jeopardy.

I hope he will urge the minister to move a little faster because we need some action. I wonder how he would comment on that because this has been delayed a whole year.

• (1755)

Mr. Calder: Mr. Speaker, they are making poultry jokes here.

In all my years as a farmer, and I grew up on a farm and have been actively farming since 1973, I know the hon. member across the floor who shares the same background in agriculture that I do knows that haste makes waste. If you are going to fix it, fix it right the first time because the second time it costs you a lot of money.

Basically what we are saying right now is that the railways, the shippers and the wheat board all have to become responsive to the changes we are making.

The challenge through you, Mr. Speaker—I do not want you to feel like the Maytag repairman—is that we have to look at how wheat is hauled down into the United States and the rate that is applied to it. Is it going to cost the same to move a car of potash into the United States as what it does to move a carload of wheat into the United States? We have to watch that.

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, earlier on you talked about relevance. We have been into poultry and now we are into potash. I thought we were talking about moving grain down into the United States and Mexico.

The member's comment was that by stopping this movement of grain back and forth from Thunder Bay it was going to eliminate the countervailing duty investigation by Mexico. I ask myself, how on earth can we do this to ourselves? How can we pay to move grain to Thunder Bay, move it back to the prairies on subsidized lines and find out that because we do that Mexico is going to investigate us for subsidizing grain? Whereas if we stop shooting ourselves in the foot there is no subsidy and we can put it down to the United States more efficiently, as they admit, in a more timely fashion, as they admit, and the whole market system would just work so much better.

I cannot imagine why the government is trying to mess up the whole market system entirely through these rules which just make no sense whatsoever. I still come back to this concept of why it takes so long. I thought when this bill was passed that it would come into force. Now I find out it will not be until August 1.

Can the member please explain to me why it is going to take another six or eight months before it comes into effect? Why would we subsidize grain that—I am at a loss for words, but I want to know why we are going to wait until August.

Mr. Calder: Mr. Speaker, I am very heartened to hear that the Reform Party across the floor is going to support us in the speedy passage of the amendments to the WGTA. It heartens me greatly.

The member has already said, which I agree with, that it does not make sense to transport grain to Thunder Bay and back to Winnipeg and down into the United States. We have to make sure we find the most effective way to ship it down at the best price. We want to make sure that the railway companies are honest about this. Also we want to make sure that Mexico does not look on WGTA the same way it looks on the export enhancement program. I think we are going to avoid it with the amendments.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, I have a couple of questions for the hon. member opposite.

I congratulate the transport minister for bringing these changes forward. We have been pushing for these exact changes since we started meeting in the agriculture committee and in the House. Of course we will support these measures but we would have supported them a year ago more happily.

How does the hon. member see the demurrage charges and the storage charges that are allowed now under the second clause in this bill used? There certainly is a need for this measure, but how is this government going to use them? Is it going to use them? The powers are there in the WGTA right now and they are not used. Will they be used now?

Mr. Speaker, I suppose you are not going to let me ask my questions about the Canadian Wheat Board. Are are going to rule them irrelevant? I will not ask those then.

Mr. Calder: Mr. Speaker, I think the reason for the demurrage and the storage charges for these rail cars is the fact that they were being used before as rolling warehouses with no charge attached.

With the demurrage and storage charges now it will make the shippers much more responsible to make sure they get those cars in, get them unloaded, get them back out on the track and heading back to—

Mr. Benoit: Thunder Bay.

Mr. Calder: —be filled up with more wheat. It is a more efficient way of doing it. If there is a cost penalty behind it, it is another incentive to make it work better.

(Motion agreed to, bill read the second time and referred to a committee.)

Mr. Boudria: Mr. Speaker, I think you would find unanimous consent to call it 6.30 p.m.

[*Translation*]

The Deputy Speaker: Is there unanimous agreement in the House for calling it 6.30 p.m.?

Some hon. members: Agreed.

[*English*]

The Deputy Speaker: It being 6 p.m., as there are no members available unfortunately for the late show, as it is referred to, the House stands adjourned until tomorrow at 10 a.m.

(House adjourned at 6.02 p.m.)

HOUSE OF COMMONS

Tuesday, February 14, 1995

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

INTERPARLIAMENTARY DELEGATIONS

Mr. John Maloney (Erie, Lib.): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present, in both official languages, the report of the Canadian delegation to the third annual meeting of the Asia–Pacific parliamentary forum which was held in Acapulco, Mexico, from January 12 to 15, 1995.

The Asia–Pacific parliamentary forum, which was inaugurated in January 1993, is quickly becoming an important voice in dealing with political and security matters, co–operative economic arrangements and other key regional interests and issues.

At the same time the Asia–Pacific region is becoming increasingly significant in the achievement of Canada's goals in terms of trade, technology acquisition in job creation, in sustaining a global environment and in managing the demographics of immigration.

These forums provide parliamentarians of the subject regions the opportunity to express their own views and those of the people they represent in a frank and open manner. The opportunity to meet and discuss issues with fellow parliamentarians from 20 other Pacific rim countries was a positive experience. In effect it was an international discussion at the grassroots level and this is to be encouraged.

In 1997 Canada will host the heads of government and the ministerial meetings of the Asia–Pacific economic co–operation, APEC. The government is considering that 1997 be declared the year of Canada in Asia–Pacific.

I am pleased to add that Canada has also been asked to host the fifth meeting of the Asia–Pacific parliamentary forum in January 1997. This is an honour and an indication of the high regard in which our country is held in the international community.

FIREARMS ACT

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.) moved for leave to introduce Bill C–68, an act respecting firearms and other weapons.

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

* * *

• (1005)

PETITIONS

GUN CONTROL

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, pursuant to Standing Order 36, I am today presenting petitions signed by 1,563 of my constituents of Prince George—Peace River.

The petitioners feel that no amount of gun control has ever succeeded in preventing criminals from acquiring guns for illegal means. Therefore they ask Parliament to support laws that punish criminals using firearms, support, recognize and protect the rights of law–abiding citizens to own and use recreational firearms, and abolish any existing gun control laws that have proven ineffective.

I concur and fully endorse these petitions.

JUSTICE

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, I have four petitions to present today.

On behalf of the hon. member for Calgary Southeast I rise before the House on day seven to present petition number seven. These petitions are being presented on behalf of constituents who wish to halt the early release from prison of Robert Paul Thompson. April 11 is the date set for the parole hearing.

The petitioners are concerned about making our streets safer for citizens. They are opposed to the current practice of early release of violent offenders prior to serving the full extent of their sentences.

The petitioners pray that the streets will be made safer for law–abiding citizens and the families of the victims of convicted murderers.

RRSPS

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): The second petition, Mr. Speaker, has a very simple message: do not tax RRSPs.

GUN CONTROL

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, the third and fourth petitions deal with the issue of gun control.

The petitioners call on the House to oppose further legislation for firearms acquisition and possession and provide strict guidelines and mandatory sentencing for the use or possession of a firearm in the commission of a violent crime.

To date, 1,571 constituents from Okanagan—Similkameen—Merritt have signed this petition and there are many more to come.

HUMAN RIGHTS

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, pursuant to Standing Order 36, I have two petitions to table today.

The first one is signed by 75 of my constituents in the Langham area. It draws to the attention of the House that because of the inclusion of sexual orientation the Canadian Human Rights Act will provide certain groups with special status, rights and privileges and because these rights and privileges would be granted solely on the basis of sexual behaviour these petitioners call upon Parliament to oppose any amendments to the Canadian Human Rights Act or the Canadian Charter of Rights and Freedoms which provides for the inclusion of the phrase sexual orientation.

ASSISTED SUICIDE

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, the second petition is from the Rosetown area and is signed by 29 of my constituents, I believe primarily from the Rosetown Alliance Church.

They draw to the attention of the House that whereas the majority of Canadians are law-abiding citizens who respect the law and respect the sanctity of human life, and whereas the majority of Canadians believe that physicians in Canada should be working to save lives and not to end them, they pray that Parliament ensure the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

I concur with both of these petitions.

GUN CONTROL

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, I would like to present four petitions today on behalf of my constituents.

The first one is rather timely. The petitioners request that Parliament support laws that severely punish all violent criminals who use weapons in the commission of a crime, support new Criminal Code firearms control provisions and recognize and protect the right of law-abiding citizens to only use recreational firearms, and support legislation which will repeal and modify existing gun control laws which have not improved public safety and have proven not to be cost effective or have proven to be overly complex so as to be ineffective or unenforceable.

There are 125 signatures which support that petition.

• (1010)

YOUNG OFFENDERS ACT

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, I have three petitions that call upon Parliament to review the Young Offenders Act in an open and accountable process which addresses the following principles: deterrence of the offender, accountability of the offender and the rights of the victim.

I support these petitions.

EUTHANASIA

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso, Lib.): Mr. Speaker, I have a number of petitions dealing with various subjects that I would like to table before Parliament today pursuant to Standing Order 36.

The first is from a large number of constituents who want to prevail upon Parliament to respect human life and not to sanction euthanasia.

SAME SEX RELATIONSHIPS

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso, Lib.): Mr. Speaker, the second petition concerns the issue of same sex relationships.

The petitioners pray and request that Parliament not amend the human rights code, the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

YOUNG OFFENDERS ACT

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso, Lib.): Mr. Speaker, the third petition deals with the Young Offenders Act.

The petitioners call upon Parliament to amend the Young Offenders Act to reflect the changing character of young offenders by increasing the maximum penalty for first and second degree murder from five to ten years, allowing the publication of the young offender's name after a second indictable offence

and lowering the age limits that define a young offender to include those children between the ages of 10 and 15.

SEALS

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso, Lib.): Mr. Speaker, the last petition has to do with the question of the relationship between the decline in the groundfish population in Atlantic Canada and the burgeoning seal population and calls upon Parliament to urge the federal government to recognize the opportunity presented by the huge seal populations and designate herds for uses to viable entrepreneurial resources.

[*Translation*]

MR. TRAN TRIEU QUAN

Mr. Philippe Paré (Louis-Hébert, BQ): Mr. Speaker, one of my constituents, Tran Trieu Quan, has now been in prison in Vietnam for nearly a year. Your petitioners call upon Parliament to take action as soon as possible in order to obtain the release of Mr. Quan, a request I fully support.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the following questions will be answered today: Nos. 118 and 120.

[*Text*]

Question No. 118—**Mr. Penson:**

How many business people accompanied the Prime Minister to China; what were the criteria for choosing these people; how many of these people had part of their trip paid for by the Canadian government; and what was the total amount of federal government assistance to business people on the trip?

Hon. Roy MacLaren (Minister for International Trade, Lib.): The Team Canada delegation was comprised of approximately 450 representatives of over 250 companies. Participation was open to all Canadian companies on a first come, first served basis. No members of the business delegation had any part of their trip paid for by the federal government.

Question No. 120—**Mr. Penson:**

Which memorandums of understanding were signed in China, and what promises were made of possible federal government financing or other assistance if these should result in firm sales?

Hon. Roy MacLaren (Minister for International Trade, Lib.): For a complete list of memorandums of understanding, please refer to the answer to question No. 119 tabled this day. No promises of possible federal government financing were made in support of potential firm sales.

[*English*]

The Deputy Speaker: The questions as enumerated by the parliamentary secretary have been answered.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, if Question No. 119 could be made an Order for Return, the return would be tabled immediately.

The Deputy Speaker: Is it the pleasure of the House that Question No. 119 be deemed to have been made an Order for Return?

Some hon. members: Agreed.

[*Text*]

Question No. 119—**Mr. Penson:**

Which Canadian companies signed firm deals in China, what was the total dollar amount for these deals, and what was the extent and source of federal government financing to make these deals possible?

(Return tabled.)

[*English*]

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

The Deputy Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY—DEFICIT ELIMINATION

Mr. Herb Grubel (Capilano—Howe Sound, Ref.) moved:

That this House urge the government to respond to the demands of Canadians for decisive spending cuts and no net tax-increases to eliminate the deficit and to produce a smaller federal government.

He said: Mr. Speaker, as one of Reform's co-critics for finance, I have the honour to lead today's debate of this resolution. I will discuss its importance by drawing on my background as an economist and a long time teacher of international finance courses.

A number of my colleagues later in the day will expand on the theme in the light of their roles as Reform critics of different ministries. All of our remarks reflect consultations with constit-

uents through personal and town hall meetings, electronic media consultations and the return of questionnaires.

As a preliminary, let me note that Reformers do not enjoy our role as advocates for spending cuts and a smaller government. The government's involvement in the affairs of Canadians is so pervasive that few of us, our families or friends will escape the effects of such cuts.

• (1015)

As a professor, I am personally concerned about their effects on higher education, my own future and that of my friends and colleagues. We all dislike it when changes in government policies force us to alter our habits and way of life. Reformers therefore appreciate very much the personal difficulties which these cuts will bring. We know these difficulties will seem puny in relation to those that will be forced upon Canadians if we do not get our fiscal house in order on our own terms.

Consider what may happen to the exchange rate, interest rates and Canada's foreign position if the forthcoming Liberal budget does not satisfy both Canadian and foreign investors. Investors sell Canadian government bonds and move their money into some other governments' bonds, be they American, German or Japanese. Such sales depress bond prices and increase interest rates, sending the Canadian dollar on a downward slide.

How far will these adverse developments go? No one knows. There is no doubt that at some interest rate high enough and exchange rate low enough, investors will once more purchase Canadian bonds and dollars and the slide will be halted.

It is often said that rationality or real economic values take a back seat to investors' mass hysteria during such speculative bubbles. Falling values create expectations of further falls. Investors rush to liquidate their holdings before they are worth even less. Some hope to buy them back once the bottom has been hit, expecting quick profits. Others are made to move their money into foreign assets which increase in value at the same time that Canadian asset values fall.

At some point a new class of speculators enters the fray. They hold no Canadian assets but sell Canadian dollars short at today's price in the expectation that they can deliver it a few days later at an even lower price.

Some domestic investors will borrow Canadian dollars and buy foreign currencies. The hot money ready to enter such speculation is so large that no country in the world, certainly not Canada, can stop the slide once it has gathered enough momentum.

Many can understand what goes on during such speculative bubbles. They are likely to have been caught in the fever of buying real estate, gold or similar investments in the past. They will remember how profitable it can be to participate in the exciting events and how difficult it is to resist the herd instinct.

We need only to look at the recent experience of Mexico during the last few months to appreciate what can happen to Canada. The Mexican peso depreciated by over 50 per cent against the U.S. and Canadian dollars before stability was restored and a slow recovery started. Interest rates went sky high.

Canadians had a foretaste of possible developments in the middle of January when a small speculative bubble hit the Canadian dollar. The interest and exchange rates moved by extraordinary amounts in a very short time.

In the case of both countries the dramatic interest and exchange rate changes were halted by the interventions of governments. They bought bonds and currency that were being dumped by investors. They used at first the dollar and gold reserves in the accounts of their own central banks. They then drew on credit with private banks, foreign central banks and international organizations that have been negotiated before. They then went, hat in hand, to arrange new lines of credit, asking other central banks to help them by buying their national currencies.

The Government of Mexico went down very far on this road of using ever more costly sources of intervention. It ended up arranging for huge direct loans and standby credits from foreign governments and international organizations.

The cost of such borrowing is now quite transparent and not just monetary. The U.S. Congress debated loan conditions and came very close to requiring Mexico to adopt very stringent policies.

• (1020)

The important thing is that such loan conditions would have represented an almost unprecedented interference in the domestic economic, social and foreign aid policies of an independent nation state. In the end, President Clinton avoided the imposition of such extreme conditions by the use of administrative devices which bypassed Congress.

It is not clear that Congress will let presidents use these devices in the future. The American people and their elected representatives are in a foul mood when it comes to bailing out foreign governments which have what they consider to be inappropriate social and economic policies.

Reformers are not willing to gamble on any of these eventualities. Our first objective as a country must be to never be placed in a predicament like that experienced by Mexico. We want to retain Canada's sovereignty over its economic and social policies.

In the middle of January Canada came very close to the point where we too had to go hat in hand to foreign lenders. As some put it, we came very close to hitting the wall. An economist who watched the tickers flashing interest rates and exchange rates

dropping by the minute suggested to me that the situation was saved this time by massive intervention of the G–7 central banks. He is worried that we may not be so lucky the next time or that we can escape really burdensome loan conditions.

The next time may well be in the wake of the upcoming budget, not immediately but when some other event upsets investors. That may be a few days, weeks or even months later.

Investors will look for four major policies in the budget. The finance minister had better not goof.

First, investors will look for tax increases. Individual Canadians oppose tax increases because they feel overtaxed and want a smaller government for understandable personal reasons. Investors would interpret tax increases as a signal that the government does not have the courage to make the spending cuts needed to eliminate the deficit.

Higher taxes mean eventually a bigger government, one which during the last 30 years has grown but has not solved and instead has increased the problems of slow economic growth, increased poverty and unemployment, the breakup of families and which to boot, has created frighteningly large and persistent deficits. It is big government which has created among Canadians the pervasive sense that their and their children's lives are getting worse, not better.

Second, investors will look for cuts to social spending. Social spending programs broadly defined use about $70 billion or 60 per cent of the federal program spending of $120 billion. The current deficit of $38 billion cannot possibly be eliminated through cuts in non–social spending even in the face of rapid growth in revenue during the current boom without a threat to essential efficiency increasing government services.

Past governments have lacked the courage to tackle social spending. That is why the fiscal situation has deteriorated to the present cliffhanger. I predict very confidently that if the upcoming budget does not contain hard–nosed cuts to social spending, investors will be very unhappy. They will point with some justification to a lost opportunity since most Canadians are ready for such cuts.

In addition, it is now official. The OECD noted in a recent report that Canada's social programs are an outstanding example of excessive generosity.

Third, investors will look for a plan for the complete elimination of the deficit during the current economic boom. The Liberal red book target of $25 billion two years from now has been criticized roundly by many experts. It implies an increase in the federal debt by $100 billion or 20 per cent of the $500 billion during the first years of Liberal rule.

• (1025)

Like the Conservatives during the 1980s, the Liberals will find that the debt will cease to grow as a percentage of national income during the upswing if they achieve their deficit target. But this is a hollow victory because the cause of the debt will resume the moment the economy slows down again as inevitably it will.

Predictions are that this may well happen before the end of the present election cycle. Few expect decisive spending cuts during the last two years before the next election. Therefore, one of the crucial aspects of the budget that investors will study is whether and by how much spending cuts go beyond the $25 billion deficit target in two years.

They will also look for further plans for deficit reduction beyond the last fiscal year covered in the budget. Will the Minister of Finance have the backing of cabinet and the Prime Minister to plan for further cuts in the future?

Fourth, I believe that investors will look to the budget for one other important subject. They will look for evidence that the government has accepted certain radically different ideas about the causes of unemployment which have moved out of conservative think tanks and are now discussed freely by the Auditor General, the OECD and many academics.

According to these ideas Canada's high and persistent unemployment rates are caused to a considerable degree by the generous social programs themselves. The unfortunate but unavoidable reality is that Canada once had the choice of having high unemployment rates and generous UIC and welfare benefits as a matter of deliberate public preference. That choice has disappeared with the debt, deficit and slow growth of the last decade.

These are harsh messages for a Liberal government to accept, which on these matters is caught in its own rhetoric. Investors are watching to see if the Liberals can live up to their reputation as the ultimate non–dogmatic pragmatists.

Let me close by suggesting that Reformers have listened to the public and to investors. Our own alternative budget will reflect what we have heard. It will outline steps we would be prepared to take in order to address the four issues crucial for investor confidence and most thoughtful Canadians.

My colleagues speaking after me will elaborate on some of these matters without revealing too much about our specific recommendations. We invite the Liberals to present a budget which will take the news out of the policies on these matters we will propose very soon.

After this gloom and doom, a few words of hope. Once Canadians have gone through three years and deal with the necessary deliberate and thoughtful spending cuts, there is a light at the end of the tunnel.

Such cuts will restore investor and consumer confidence. The economic boom will be fueled and expanded. Economic growth will return to the high levels we have not seen since the pervasive government intrusion of the last three decades.

In a few short years after the budget is balanced there is a prospect of tax reduction, a smaller debt, or both. Mild, short run pain will not only avoid catastrophic pain in the intermediate term, it will also bring large and important gains in what in retrospect will seem like a very short time of sacrifice.

We hope the Liberals will hear this message, not because we want to be right, but because it is right for Canada.

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I welcome this opportunity to remind the House of the fiscal commitment and philosophy that will frame our government's upcoming budget. I believe this debate should also include some plan and some plain, positive talk about the Canadian economy and outlook.

This Reform motion cites "the demand by Canadians to cut spending and hold the line on taxes to eliminate the deficit and produce a smaller federal government". Our government does not need this grandstanding motion or any of the stage managed events of a publicity starved party to be deeply aware of what Canadians want.

• (1030)

Starting last October, we put in place the most extensive and most public consultation process in budget history. In my view, these consultations prove that Canadians have a more profound and positive understanding of the budget challenge than the simplistic slash and trash approach of the Reform Party.

[*Translation*]

In fact, Canadians have identified priorities that are realistic and require a great deal of effort. They want a strategy for phase two, based on last year's budget, to get Canada out of this vicious circle of deficit and debt.

However, the vast majority of Canadians also want the budget measures to meet other essential criteria. They have made it clear that they agree with the principles set forth last fall by the Minister of Finance.

First of all, deficit reduction must be an essential part of a strategy to create jobs through economic growth. Second, fairness is paramount, to ensure that the most vulnerable in our society are not left behind. Third, deficit reduction measures must be based on reasoned choices and reflect clear–cut priorities. Fourth, we must use taxpayers' money wisely. And finally, budgetary actions should focus on reductions in expenditures, as opposed to raising revenues.

[*English*]

The Canadians I have heard from want a lean government but not a mean government. They want a budget that builds market confidence but not one that abandons basic social responsibility. This budget will meet that dynamic challenge.

There is no contradiction here. Our budget will, because we know it must, take the tough action needed to meet the deficit goals we set out last year. As the Prime Minister said in Quebec City last fall, the time to reduce deficits is when the economy is growing. Therefore, now is the time. The economy is growing which is good news for all Canadians.

Let me give members some examples. Canada's growth rate last year was 4.25 per cent, the highest in the G–7. The OECD predicts that Canada will continue to lead the industrial world for the next two years. In the past 12 months, real exports surged over 20 per cent and we continued to set all time records for our country.

A survey by the Conference Board found that 81 per cent of firms planned to maintain or boost investment over the next six months, another record high for our country. That investment means jobs. Since January 1994 the economy has created over 400,000 jobs. All of these are full–time jobs. The unemployment rate is down to single digits for the first time in four years.

This good news does not mean that Canadian economic renewal is permanently secured. We know that. The government knows that cohesive, co–ordinated action is needed on all fronts. We understand that the spearhead for this action agenda must be to restore a healthy fiscal climate.

[*Translation*]

We all know the price we have to pay today for having let deficits and the debt rise to new heights during the past decades. That price is higher taxes and interest rates, factors that slow down growth.

• (1035)

This government, however, believes that in order to meet the debt challenge successfully, we must first set realistic and credible targets. This means maintaining the deficit reduction momentum we have set in motion, in other words, bringing the deficit down to 3 per cent of GDP in three years. That is exactly what we intend to do, and as the Minister of Finance said, there are no excuses.

The last time we had a deficit level of 3 per cent was in 1974–75. Since then, the deficit has increased steadily and is now close to 6 per cent of GDP.

It should also be said that setting firm deficit reduction objectives is a considerable departure from past policy.

[*English*]

Canadians and markets lost confidence because they have suffered too many years of rosy, long term promises that became nothing but short term fertilizer.

Instead, we have set out realistic targets and will take the action to deliver bottom line results. Our success here will strengthen credibility for our long term objective, which is eliminating the deficit completely. This strategy is based on fundamental political and public reality.

We believe it is best to set short term targets, concrete milestones and hit them. With short term targets there is no excuse for delay, no acceptable grounds for not taking tough action to address the problem. When unrealistic long term goals are set, reasons can always be found to avoid tough action today and tomorrow and tomorrow after that.

That was the Tory record, the first cousins of today's Reformers, a legacy we refuse to accept. Let me remind the House that we did more than stake out a deficit goal last year. We backed that goal with real bottom line action.

The 1994 budget set out measures to deliver $20 billion in deficit reduction over three years. For every $1 of revenue action there were $5 of spending cuts. No budget in a decade moved so strongly to cut spending. The fact is we have always recognized the need for continued fiscal action. The 1995 budget process started the minute we introduced the 1994 plan.

That is why we combined immediate action with a sweeping series of program reviews of government operations, defence and social security reform. These have set concrete foundations for this year's budget and the tough decisions needed.

We all understand that we have a long way to go but I think we have made a strong start. I am certain that 1995 budget will show all Canadians and markets around the world that the fiscal commitments made by the government are the fiscal commitments kept by the government.

Before concluding my remarks let me comment directly on the so–called demand that today's motion cites for no net tax increases in the upcoming budget. Nobody likes higher taxes. Only a foolhardy politician would think otherwise. That is why cuts in government spending must and will be our priority in reducing the deficit. We proved that last year when we cut spending by $5 for every $1 in revenue measures.

Most Canadians know that to ever bring taxes down and more immediately to ease the pressure on interest rates and the dollar we have to get the debt under control. That can only start by meeting our deficit targets. Given this challenge, I cannot promise that the budget will not include revenue action. If we take it, the focus will be on improving the fairness of the tax system.

• (1040)

Let me challenge those who argue against any tax action. Do they really believe that the tax system right now is completely fair? Do they really believe that there are no loopholes or no unjustified preferences, especially given our fiscal situation? That type of Pollyanna politicking is not what Canadians demand or need at this time.

[*Translation*]

In concluding, I would like to point out that the motion before the House today refers basically to decisive spending cuts, a refusal to tolerate tax increases, initiatives to reduce the size of government, and all those measures that are part of an effective deficit reduction strategy. In other words, we have here the entire substance of what our government has said it would do. Unfortunately, the opposition in this House has shown once again it is better at spouting clichés than at making proposals of any substance.

[*English*]

We welcome the opportunity to debate tax issues before the budget, but we wish the opposition would bring some reality to the dilemma facing Canadians and hope that we hear more constructive propositions during this debate.

Mr. Grubel: Mr. Speaker, could you tell me how much time is allocated please?

The Deputy Speaker: It is 10 minutes for questions and comments. The member will appreciate that in error the government was not given a chance to ask questions or make comments about his speech. It was my error and I apologize to the House. It is 10 minutes basically for questions and comments.

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, I can understand that the hon. parliamentary secretary cannot reveal anything about the forthcoming budget and that he had to stay with generalities.

The basic principles he laid out, I believe 80 per cent of Reformers agree with. The system must be fair, the cuts must be discussed widely. All the principles he set out are so universally accepted that they are almost empty rhetoric.

I was talking about four issues which were raised before the finance committee where the member opposite sat and listened. An overwhelming proportion of witnesses said we must not do these kinds of things. The report that the finance committee came up with did not reflect these recommendations.

As I said in my speech, those recommendations are absolutely crucial to the way in which the investors of the world are likely to react to the forthcoming budget. I hope that the government

will not goof in the budget, that it will take the advice of the overwhelming number of witnesses on those four issues. The four issues are that a $25 billion deficit target in two years is insufficient given the length of the business cycle. It is absolutely dangerous during a period of boom when the economy is growing at 3 or 4 percentage points a year to do as little as necessary to get to $25 billion in two years. It will send the wrong signal.

Everyone who studies the budget realizes that the social programs are absorbing such a large proportion of the total that unless we take very tough steps on those, as has been recommended widely by the OECD and the Auditor General, the budget will not be credible.

• (1045)

I raise this matter because early in this session I asked the Minister of Human Resources Development when he presented his plan for social policy reform whether there would be any savings from the reform. He went into a rhetorical flourish and said they will not eliminate the deficit on the backs of poor people.

The world hears this message but the world also knows that we cannot get away without making such cuts. We will be judged very harshly, especially in light of the fact that we probably have the most generous social security net in the world and in the light of the fact that it is now increasingly recognized that it was a noble experiment. When we are generous we also create dependence and increase unemployment as unwanted side effects.

The world will look for a message on what the government thinks about the cause of our persistently high unemployment rate. For years, for decades, American and Canadian unemployment rates moved in unison. They diverged by very little until the middle seventies when Canada increased the generosity of her social programs. Since then the Americans, who are at the same level of economic prosperity as we are in the business cycle, have had unemployment rates below 6 per cent. We are at around 10 per cent. In Canada 4 per cent of the labour force is unemployed, yet there is no explanation for it. If the deficit could eliminate it, if large exports could eliminate it, if low interest rates could have eliminated it a few years ago, it would have happened. It is not just me who is saying this. The cause is somewhere else.

Unless the government addresses these issues investors will be very unhappy. The probability is that the need for reform and for tough measures on all these issues will not come after deliberate consideration in the House or in committee. It will be imposed by governments and international organizations we have to go to in order to get money to stabilize our exchange rate and interest rate.

It is not a happy picture. We do not enjoy talking about these things. I appreciate the hon. member cannot say more about it, but the generalities that we heard again today are not the way to go. I appreciate the opportunity to share these thoughts with the House and the people of Canada.

Mr. Walker: Mr. Speaker, it is difficult to know where to begin. It is obvious that the rough edges of his speech were left for the comments period and not for his actual speech. In his speech he kept himself on track and was quite reasonable, but when he stood on comments he began to get a bit sidetracked as to what the budget process was all about.

The committee very carefully listened to witnesses. We were very careful in our own presentation to reflect the interest of Canadians. We can talk about majorities and what the majority said, but we also have in this country a respect for the minority. Groups that appeared before us were very concerned about the programs that were being presented. They asked us to protect the programs.

The job of a government is not only to get on the high horse of a protest movement. It is also very much to bring into focus what a government should be doing in these very difficult times.

I would argue that the approach taken by the majority report was a reasonable approach. We asked the finance minister to go further than he was originally intending to go. Then in January there were increased interest rates and difficulty with the dollar. I believe it is now accepted that actions will have to be as dramatic as they can possibly be.

• (1050)

The opposition critic vacillates between two important points in this debate: between Canadians they are encouraging to fight against a tax increase and international markets that want to be reassured we have our house in order.

If we ask somebody in New York who is concerned about the Canadian budget whether there should be any tax increases, he would argue that we should do anything to get to our target. He would say: "If you are really concerned about what I think, do what you have to do. If it means tax increases, do it and get to your target". Then the Reformers go back to Calgary and say: "Tell them not to raise taxes". The whole strategy is made vulnerable because they are playing a double game and they know they are playing a double game. Somebody on the floor of the House of Commons should call them on that.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, I was wondering if the member has difficulty with his hearing. I was in Toronto last week on Wednesday night. There were well over 2,000 people jammed into the Sheraton Centre who gave a very clear message, and I am delivering it to the House: No tax increase.

I wonder if he could help us understand how it is Liberals do not understand that message when there are rally after rally,

grassroots organizations after grassroots organizations, buttons, petitions and everything else. The Liberals are not listening. Why?

Mr. Walker: Mr. Speaker, if my hearing is bad, perhaps his eyesight is also bad. Did he see the 5,000 people in Montreal who were worried about their futures?

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, I find it hard to be part of a discussion where people call each other deaf and blind. I am grateful for the chance our colleagues in the Reform Party have given us to discuss the government's budget and, in particular, the appropriateness of keeping taxes and income taxes at their present level in the Minister of Finance's upcoming budget.

I will say right off that the Bloc Quebecois supports the Reform Party's statement that increasing taxes and income tax at the present time, as the Minister of Finance himself acknowledged when he appeared before the finance committee in October, would kill the Canadian economy. It would put a strangle hold on job creation opportunities in the short term and before Canada enters a new period of slowing down, following the economic slowdown in the United States.

Thus I say straight off that we support the Reform Party's proposal that the upcoming budget contain no general increase in income tax, as the Liberal majority on the finance committee suggested in December, and no additional taxes. Taxes and income tax also have an effect on the black market economy, the underground economy. The Minister of Finance himself estimated it represented between 10 and 15 per cent of Canada's GDP. This is a lot and it is the direct result of the excessively high level of taxes and income tax in Canada.

Having said this, we have not forgotten that the budgetary situation of the Canadian government is critical, that the budgetary situation of the governments, as well, in Canada is one of the worst among industrialized countries. The federal debt alone, at $558 billion, represents over 80 per cent of the GDP. This is almost a world record. If we add the provincial debts, the figure increases from 80 per cent of the GDP to 115 per cent of the GDP. A catastrophe.

Another catastrophe, in terms of Canadian public finances, is the high proportion of Canadian securities in the hands of foreigners—43 per cent. This means we have a lot less control over our economic destiny and, in addition the capacity our governments have to act in budgetary or other areas is jeopardized.

• (1055)

In regard to this long-standing situation—it has existed for some ten years—we knew we would find ourselves sooner or later in a catastrophic situation such as the present one. In spite of this, the Minister of Finance gave himself a break of nearly a year and a half. The Minister of Finance has done nothing since assuming his position. The Minister of Finance has done nothing but present a first budget which hurt the most vulnerable, a budget which cut $7.5 billion from unemployment insurance programs but, in the end, solved nothing because in financial circles, both in Canada and abroad, the measures were not viewed as truly serious measures to correct the budget situation in Canada.

In fact, in May 1994, a mere three months after the first budget was brought down by the Minister of Finance, the C.D. Howe Institute was already forecasting additional cuts beyond those mentioned in the minister's budget, additional cuts of $7 billion over two years to allow the Minister of Finance to achieve his goal of a federal deficit of $25 billion for 1996–97, that is 3 per cent of GDP.

In his economic statement of last October—just to give members an example of the seriousness or, to be more precise, the lack thereof, and laziness on the part of the Minister of Finance—the minister estimated that costs would have to be cut not by $7 billion, as the C.D. Howe Institute indicated, but by more than $9 billion. And since January, precisely because of the lack of serious intent on the part of the Minister of Finance, his inability to take truly corrective measures and immediate action, we are now facing necessary cuts estimated at between $12 and $16 billion over the next two years because of variable interest rates. Over a seven month period, forecasts were changed four times as pertains to required cuts or new revenues if the Canadian government is to meet its goal of reducing the deficit to 3 per cent of GDP as established by the Minister of Finance.

And people wonder why things are not going well. People wonder why they still do not know what the federal government is doing to correct the situation. This is what happens when nothing is done for a year and a half, when financial circles tell us for a year and a half, with increasing urgency, that nothing is being done to correct the situation: panic sets in. And at present, we are seeing total panic from the Liberal government. They do not really know where to go from here. They are making proposals left and right. They have been sending test balloons out over the last two or three months, but have failed to do what was needed for a year and a half.

I would even say that not only is the official opposition awaiting the Minister of Finance's next budget, but also the entire international community. Indeed, all foreign investors who hold Canadian debt securities are getting ready to pounce on the Minister of Finance.

The next budget needs to be a budget that clearly shows that a structural reform is taking place, that measures are being taken, not just haphazard measures but serious corrective measures. Not just superficial cuts, cuts concealing the true catastrophic state of our public finances, but real cuts, airtight fiscal mea-

sures that will not only permit the Minister of Finance to brag, and pat himself on the back for, reaching his goal of bringing the deficit down to three per cent of GDP in 1996–97, we will come back to this later, but real proof that the Minister of Finance has gotten public finances under control. This is what financial circles are expecting.

And let me tell you that if they are not convinced that this and the 1996–97 budgets contain serious corrective measures and take at least some strain off the public finances, since that is the heart of the problem, I would say that they are going to demand risk premiums, like they did in January and May 1994. In addition to the regular return they receive on Canadian debt securities, they will demand that an additional percentage be tacked on to compensate for the absolutely decrepit state of Canada's public finances and for the Minister of Finance's lack of action, other than his stand–up comedy act, to really correct the situation.

• (1100)

I would argue that people are a little tired of hearing the government and its representatives tell us every day that they will achieve their goal of reducing the deficit to 3 per cent of GDP.

I will make two comments on this. First, if they want to reduce the deficit to 3 per cent of GDP by continuing to slash social programs enthusiastically, they are on the wrong track. People are fed up with this government's hypocrisy. They are fed up with the red book telling them that they will be protected against underemployment or other social problems they may face and with a government that has been doing exactly the opposite in the past year.

The government has cut UI and stopped contributing to the UI fund. It is raising the spectre of additional cuts in transfers for social assistance, post–secondary education and even pensions. They have been talking about it on that side of the House for about six months. People are fed up with the Liberals' actions, which are not consistent with the reasons they were elected in October 1993.

Second, let me reiterate that even if the government managed to reduce the deficit to 3 per cent of GDP by 1996–97, it would not solve anything, and that is a little indecent. They tell us every day that they will reduce the deficit to 3 per cent of GDP and solve everything, but that will not solve anything. In 1996–97, we will still be saddled with a $25 billion deficit and, most importantly, with a debt approaching $625 billion. So they are not solving the problem. They are behaving like a government that only cares about being re–elected in three years.

From a structural point of view, they are not solving the federal debt problem at all. With a $625 billion debt, the problem will be just as serious in 1996–97 as it is today; the public finance crisis will be as serious as it is today. That is, in my opinion, Canada's biggest problem. There are other problems but that is the biggest one.

Despite the gravity of the problem, this government, which bragged during the election campaign of wanting to create as many jobs as possible, is doing, in my opinion, the opposite of what it should be doing as a result of its attitude toward public finance.

The debt is so big that going after domestic savings to periodically finance part of this debt pushes up interest rates. Interest rates are going up in this country. The Minister of Finance has lost his credibility with international investors, who are demanding higher yields, and this is also putting upward pressure on interest rates, which in turn affects our national interest rates.

If you happen to be an investor and want to invest money and create jobs, you will invest less and create fewer jobs because of high interest rates due to the pressure of the debt on the Canadian economy, the so–called crowding out effect, and it will not be any different in 1996–97. This jeopardizes our chances of experiencing a really strong economic recovery with substantial job creation.

When we consider how job creation has evolved during the past two and half years since the end of the recession, or at least its end in technical terms, it should come as no surprise that in Canada we are still about 800,000 jobs short of reaching the same labour force participation rate that existed before the first quarter of 1990 or before the recession began. And this is all because of the federal debt.

Even the Department of Finance has calculated that structural unemployment is at 8.5 per cent, in Canada, because of the size of the debt. Even with an economy that is doing well, even when the circumstances for job creation are ideal, the unemployment rate is around 8.5 per cent because of the size of the debt and the pressure of the debt on the economy, and the situation will not change until the structural problems besetting Canada's public finances have been solved.

• (1105)

That is the situation, and I do not think there is any reason for members on the other side to be proud of what the Minister of Finance has accomplished in one year. If I were the minister, I would be ashamed, and if I were the government, I would be even more so.

In any case, and I have a few minutes left, the official opposition wanted to make its own contribution last October when the Minister of Finance appeared before the committee, and we repeated our suggestions last December when the Liberal majority tabled its report on pre–budget consultations. We wanted to make a short–term contribution that would at least reduce the impact of the deficit and give the Minister of Finance

a chance to brag that he would hit his 3 per cent of GDP target. We wanted to submit recommendations as an alternative to the drastic cuts in social programs which the government has made and plans to continue.

We made ten recommendations, and I will mention the first eight, which are the most important ones. The first one, and I want the Secretary of State for Finance to listen very carefully, because although his minister realizes we made recommendations, he himself insists we never did, or maybe he cannot read and in that case, he should learn or at least find out about the recommendations enclosed with the report tabled by the Finance Committee last December.

The first recommendation we submitted to the Minister of Finance, to help him be on target with his deficit of 3 per cent of GDP in 1996–97, was that the federal government should withdraw altogether from areas under provincial jurisdiction. For Quebec alone, this means a savings of $2 to $3 billion a year by eliminating overlap, duplication and redundant administration.

The second recommendation we made to the Minister of Finance—and we are still waiting for him and his team to analyse these recommendations—is that we stop giving subsidies to business, which, last year, amounted to $3.3 billion and which are, more often than not, a form of patronage for friends of the Liberal Party of Canada rather than real support to business in meeting the challenges of globalization. Here then is $3 billion; a big savings in reaching the goal of reducing the federal deficit to 3 per cent of the GDP in 1996–97.

The third recommendation we made to the Minister of Finance, and we continue to stand by it, was to make a further cut of at least $1.6 billion in the national defence budget. This would have meant a 25 per cent cut in the defence budget over the past two years. This corresponds to the analysis we made during the electoral campaign. We held that, even with a 25 per cent budget cut, national defence could retain its past and present efficiency in a world of reduced international tensions.

The fourth recommendation, and we still make this recommendation to the federal government, which claims to want to avoid white elephants and wastage, is that, if it wants to maintain some credibility, it withdraw from the Hibernia project, which has already absorbed some $3 billion with no promise of producing any profits within the next twenty years. If this government wants to do something other than playing politics, if it wants to be taken seriously, it must withdraw from the Hibernia project.

The fifth recommendation, one we have been making for a long time—but I think the Liberal government lacks transparency—is for a complete review of the taxation system. Complete, from A to Z, including the 16 tax treaties signed between Canada and several countries which are, in fact, regarded as tax havens. Businesses can claim operating losses abroad, repatriate these losses, though they are fictitious losses, and deduct them from their Canadian income to avoid paying taxes. That too is a major problem, and will become an even bigger one if allowed to continue.

• (1110)

We had also asked, in the context of this taxation review, that the privileges associated with family trusts be eliminated. Shortly before adjournment, we made a motion in the finance committee which was readily defeated by Liberals and Reformers. Why? Because it affected privileges enjoyed by their buddies, the wealthiest of Canadians, who avoid taxes year after year by paying no tax on capital gains or on personal fortunes valued at several hundred million if not several billion dollars. We cannot quote the precise figure because, although the Minister of Finance is ostensibly in favour of transparency, his department does not want to conduct the studies necessary to determine the true value of these tax loopholes.

The seventh recommendation would be to impose a true minimum tax on corporate profits. Not with the aim of adding to their tax burden, but because several thousand companies have paid no taxes in the last ten years. We must be sure, at least, that they are escaping taxes because of their specific production conditions and product–process cycles and not because they have hired tax experts to save money by not paying Canadian taxes.

The eighth recommendation is one of the most important. I was saving it for the end. The auditor general even made the same recommendation, in his last report, regarding the $6.6 billion that Canadians owe in unpaid income taxes. These are not amounts in dispute, but simply money owed to the federal government that has remained uncollected due to the government's lax approach and failure to allot the resources necessary to recover these amounts. The auditor general's own opinion is that 80 per cent of the amount owed, more than $5 billion, could be recovered if only enough resources were available for the task.

In conclusion, we too are not in favour of new general taxes, as was recommended in the Liberal majority reports from the finance committee, but at the same time, we recommend that the government find ways to improve, even in the slightest way, the state of Canada's public finances, at least on the short term, because we have very serious longer term problems.

[*English*]

Mr. Barry Campbell (St. Paul's, Lib.): Mr. Speaker, on behalf of the Parliamentary Secretary to the Minister of Finance I have a few comments I would like to make to the member opposite—

The Deputy Speaker: The hon. member cannot make comments on behalf of another member. He has to speak on his own behalf, not on behalf of someone else.

Mr. Campbell: Mr. Speaker, I appreciate that correction. Canadians might have a little sympathy for the government after seeing this spectacle of members opposite saying no taxes, while the opposition was saying through the last speaker no cuts and maybe we should have tax increases.

What bothers me particularly about the last comments from the opposition critic are the internal consistencies in his very statement. Those members speak often about logic, yet I hear them say: "We recommended a whole host of cuts. On one hand, cut national defence spending but of course not in Quebec. Cut Hibernia but help out MIL Davie", which we heard much about in the months leading up to the Christmas recess.

There were other thoughts about family trusts. The comments on family trusts, as in the minority report they proposed, reflect a complete misunderstanding of the role of trusts in Canada and the importance of family trusts to family businesses, to small businesses, to families; completely misrepresenting the importance and reality of trusts. In the fullness of time, I have confidence the finance committee will issue a majority report that sets the record straight.

With respect to three per cent and the three per cent figure, on one hand we have members opposite saying that it is not enough. On the other hand we get criticized by the opposition critic for adjusting our outlook to take into account the real world, reality, and to make sure we get there.

• (1115)

When we meet that target it will be the first time in a long time that we have met a target in the right direction. It will go a great distance toward restoring the credibility that members opposite suggest is lacking in financial markets and go a great way toward restoring the confidence we should have in our ability to solve our problems.

[*Translation*]

Mr. Loubier: Mr. Speaker, absolutely, I have a reply for my colleague, a reply to his three questions. Regarding inconsistency, because we are proposing cuts at the same time as we are asking for an increase in the national defence budget in Quebec, I would say that if there is any inconsistency, it is on the other side, not here. We have always been consistent with ourselves, with our option and, above all, with our analysis of the situation.

At the present time, 17.4 per cent of national defence spending takes place in Quebec. We represent very close to a quarter of the population, or, if you consider it in terms of taxes paid, we pay almost 23 per cent of the taxes collected by the federal government, but we receive only 17.4 per cent of the spending. This means that there are others receiving more than they should in terms of population or in terms of their contribution to the federal coffers.

What we have always said is that cuts should be across the board, but with an adjustment for Quebec. This is what happens in the case of agriculture, it is what happens in most areas. So, that dispenses with the first inconsistency.

The second point was family trusts. My colleague claims that I have no idea of the importance of family trusts, but neither does he. And do you know why? Because we repeatedly asked the Finance Committee, senior officials in the finance department, the finance minister, the revenue minister, and senior officials in the revenue department to provide us with an exhaustive evaluation of how much money is in family trusts and the resultant losses in tax revenue to the federal coffers. So he can stop talking about the importance of family trusts, because he is just as much in the dark about them as we are.

We have estimates and are at least trying to give some thought to the magnitude of tax losses resulting from trusts and from tax agreements. My colleague prefers to turn a blind eye to these fiscal inequalities. If we are going to talk about credibility, I would say that the Liberals should look in their own back yard. There has been no sign of credibility for a year and a half now.

[*English*]

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, I would like to pose two questions to the hon. member who has just spoken in response to the member for St. Paul's.

The first question is with regard to tax increases. The hon. member for Saint–Hyacinthe—Bagot indicated that the Bloc as a party did not want tax increases. Then he went on to say that maybe there are some places where new taxes can be applied.

Is the Bloc Quebecois saying there should be no net tax increases of any kind and that if there is a redistribution because of a change in tax policy, that if there is an increase in revenue in one area, it should be redistributed to other Canadians by way of a tax reduction? Is that the position of the Bloc Quebecois, no tax increases?

I say that in light of some of the other comments and the other observations that I have made in this assembly. When we look at the cafeteria of social programs, unemployment insurance, post–secondary education, old age assistance and also the tax credit with regard to those people over 65, the Bloc did not want to allow or make the change that was recommended in the 1994–95 budget.

If we maintain all of those programs at their current level, how are we going to deal with the deficit and possibly maintain the tax policy that the hon. member recommended to the House?

I would like the hon. member to comment on that first of all. Is his party in favour of no tax increases on a net basis?

Second, with regard to family trusts, I am a member of the finance committee and I have been waiting for some type of a presentation which indicates that there is a major error in family trusts. Is the hon. member asking the finance committee or the government to pass legislation or some mechanism by which it is able to deal with people's private income and private bank accounts to derive what is the composition of a family trust?

• (1120)

[*Translation*]

Mr. Loubier: Mr. Speaker, in response to the first question on taxes, we do not want the Minister of Finance to raise taxes when he tables his next budget, or the one after that.

However—and I have the feeling my colleague is having trouble reading our recommendations, does not understand them or does not want to understand them—, there are inequities in Canada's current tax system. There are so many inequities, as I demonstrated a little before the House adjourned last December, business taxation in Canada has become so ludicrous that some businesses even sell their unused tax deductions to other businesses. There was a classified advertisement in the newspaper offering a tax loss for sale to businesses that could use it. If you do not find this ludicrous, there is a problem.

What we are saying is that there are loopholes to be closed, inequities to be corrected in our tax system. As a result, we have been recommending for a year and a half that the government undertake a comprehensive review of the tax system.

We already know about the loopholes. The auditor general has already pointed out some of them. He mentioned the 16 tax treaties, saying that there were problems with them because they were often concluded with countries considered to be tax havens, where Canadian businesses open fictitious subsidiaries, report fictitious losses, and manage not to pay what they owe Revenue Canada.

If you want to maintain these inequities, these loopholes, these inconsistencies, while asking Canadian men and women to tighten their belts another notch, there is a problem within the Reform Party although it is not the only problem.

As for family trusts, let me reiterate that the Minister of Finance held out his hand to us by saying that he would let a finance subcommittee look into the matter of family trusts, that it would be given carte blanche, that his officials would visit the committee and do whatever it would ask them to do. It was a monumental farce.

It was even, I would say—no, I will not say it because it would be unparliamentary—but it is a monumental farce. We had four months of regular hearings. We met with officials and experts. Imagine, the Liberal chair told the officials that they did not have to answer the questions. Enough is enough. There is a problem with respect to the relations between the government and senior officials. Senior officials can answer if they feel like it. They never responded to that.

How can we propose specific measures when you and I along with my Liberal colleagues do not know what is happening with family trusts nor how much money we are losing as a result of the tax treaties.

There is a lack of transparency, of understanding, and I think that it has become ridiculous.

[*English*]

Mr. Jim Peterson (Willowdale, Lib.): Mr. Speaker, I am pleased to rise in the House today on this important issue. It is very important that Canadians have access to the facts and to the issues that face us. We are going to be forced in the next budget to make some of the most difficult budgetary decisions that have been made in this Parliament's history, probably the most difficult decisions that we have had to make outside wartime.

As Canadians know, the government inherited a national debt of $500 billion and an annual deficit that had gone up to over $45 billion. As much as we politicians wish we could spend money on people and help people, we can no longer continue at this rate.

If we do not get the deficits down and start to eventually reduce our national debt, we will continue to be even more hostage to the international capital markets whose investors are demanding higher and higher interest rates in order to fund our debt. It is a debt which is so enormous we can no longer fund it out of the pockets and the savings of Canadians alone.

• (1125)

If we do not get the deficit down we will no longer be able to have the economic climate in which we can get lower interest rates, have more investment and create more jobs. Unless we are able to meet the deficit targets that have been set, every one of our social programs will be in jeopardy. We will not much longer be able to go on spending way beyond our means and yet create the type of Canada that all of us want.

It is going to be a difficult task as we go about, over the next two years, of taking maybe $10 billion, $12 billion or even $14 billion in budgetary actions, that is spending and/or tax increases.

One of the things that we must continually bear in mind as we make these difficult decisions and choices is that when social programs are cut, programs designed to protect the most vulner-

able in our nation, it must be done with caution, with compassion and with care. For so many Canadians these programs are the only means to security, dignity and opportunity.

In making the difficult decisions that we are called on to make and that we shall make, let us not only remember those who are most in need, but let us also remember that the burden should, to the extent possible, be shared fairly by all Canadians.

We know and the finance committee in its report recognized that Canadians are just about at the ceiling of taxation. Personal income tax rates are very high. When they are combined with the taxes on commodities, the payroll taxes and municipal taxes, Canadians are saying: "We want less. We are prepared to do with less. We cannot afford vastly higher taxes in order to continue the lifestyle to which we have become used".

However, they are also saying to us that when these cuts are made, please be fair. We will be judged, first of all on whether we meet those deficit targets, and we had better meet them, but we will be judged on whether we have done it fairly.

When we cut social programs are we really asking the wealthy in our society to contribute? How are they bearing their fair share when all we are doing is cutting programs? We have $3.1 billion in business subsidies. We want to get rid of all of those as quickly as we can. However realistically our committee looked at these, we said that we probably could not cut more than 36 per cent of those subsidies over the next two years. That will contribute slightly over a billion dollars to deficit reduction. It is not going to be enough.

We may just have to suggest that the very well-off in our society contribute their share to the deficit reduction targets through a few added tax measures. This is why we suggested in our report that we could perhaps ask the large corporations, corporations with capital over $10 million who do not pay taxes because they have losses carried forward or they have capital cost allowances expenditures, to pay just a little bit more. Maybe we could ask Canadians who have huge winnings on lotteries to put 10 per cent or 15 per cent of the winnings toward the deficit reduction. Is it fair to say to wage earners that they will be taxed at 53 per cent or 54 per cent on their wages but that they can make a million dollars in a lottery and not pay any taxes at all?

• (1130)

We recognize our marginal tax rates over the past nine or ten years of Tory government have become less and less progressive. The wealthy in Canada are paying less tax proportionately than the poor and middle income Canadian have been asked to pay.

We suggested that low and middle income Canadians should have their surtax reduced by one percentage point. We think this would introduce an element of fairness. In the overall package that we called for, recognizing that budget cuts must be the prime factor, we said that for about every $9 billion in expenditure cuts we might need about $1 billion in tax increases over the next two years. I do not believe Canadians are going to be reluctant to accept some of the proposed measures, particularly when they are expressed in terms of the fairness we must go about practising when all Canadians are asked to contribute to helping us get out of the mess we are in.

The principle of fairness applies not only to the most disadvantaged of Canadians who need our programs in many cases. This does not mean that we should not reform our programs to help people get off welfare more quickly or to help them rely less on unemployment insurance. After all, we want Canadians want to be working and not be on the dole.

In setting these difficult courses we have to start with ourselves in Parliament. We cannot ask Canadians to make greater sacrifices than we are prepared to make ourselves. This is why the first item of business must be the pensions of members of Parliament before we ask other Canadians to make their sacrifices. This is why we have called in our report for major areas to be cut, namely the $20 billion out of $120 billion in program spending. This $20 billion applies to our government operations, how we conduct our business and how we conduct our affairs. We have said that over two years it should be cut by 12 per cent. In terms of parliamentarians in our own little niche, we have called for a cut of 15 per cent.

I have mentioned business subsidies. We believe we can get rid of most of them over time. There are outstanding commitments that we just cannot break. Therefore we concluded that we had to be practical. About the most we can hope to get rid of over the next two years is 36 per cent. I believe the total amount would be slightly over $1 billion.

We have to bring a new philosophy to how government deals with the private sector. If the only way a private sector enterprise can exist is through government handouts and government grants, it will not be long before we can no longer afford the grants and handouts. Not only that, it is not fair to legitimate operators who do not rely on the dole or do not rely on the deep pockets of government but compete with industries that get these breaks. Not only that. With the new trading regime, the GATT and the NAFTA, we have less and less ability to interfere in this way because subsidies will be subject to countervail.

• (1135)

We are in a new world. We are in a world that many Canadians would not have believed 10 years ago that we would be facing today. The levers of control we had as a national government are no longer there. Whether we like it or not we have to live with the new reality of global competitiveness, international capital flows and international investment.

This will impose upon us new challenges. However one of the challenges cannot be grants to business. That is why we suggested abolishing all outright grants to business. We cannot give business a leg up by way of a loan because our capital markets are not working adequately to supply all small businesses and entrepreneurs with the startup capital they need.

However, if we are to do it, let us do it only on a loan basis. We will lend the money but let us make sure that we have equity in the company. We do not want a one–way street for the public sector such that if the business goes under we lose it. We want to ensure that if the business profits from the investment we make by way of a loan there is an upside for us so that we have money to fund programs and to make them self–funding and self–liquidating.

There are other areas where we have called for cuts. One such area is subsidies. We have about $7.7 billion in subsidies for various crown corporations and others like that. Let us start weaning them from subsidies. Here we have called for a 10 per cent cut. The lowest cut we called for was within the overall package of social programs worth about $40 billion at which the human resources development committee was looking. Because many of these programs go to the most vulnerable in our society we called for cuts of 7 per cent over two years.

There is a number of areas in which the committee did not feel there could be cuts, such as Canada's native people, the Inuit and veterans, people who have a lot of catching up to do because our programs may not be working adequately to bring about the type of social justice they need.

We were also very concerned about the aging population. Many Canadians have not provided for their own retirement needs. Too few Canadians are taking advantage of the very generous tax breaks available to provide for their own retirement. The ideal would be as our population ages that fewer Canadians have to rely on government.

This is a major issue and none of us pretends to have the answer. That is why we suggested before changes were made to retirement provisions, pension plans and RRSPs that we had to take into consideration a number of principles. One is parity between public sector and private sector pensions. Another is the need of those who are self–employed and have to provide for their own retirement through registered retirement savings plans. They need to be able to build a pension fund comparable to those who have been in the private sector and have had long years of contributions to private pension plans.

We also have to look at our public responsibility. Right now we are spending about $15 billion in forgone tax revenues—we can call them tax expenditures or whatever we want—to encourage self–sufficiency during retirement. Before we change this regime we should do so in the context of how we help more and more Canadians provide for a secure and dignified retirement. We are becoming more and more an aging population.

• (1140)

The challenge before us is not an easy one. We have called for getting our deficit down over a two–year period from about $40 billion to about $25 billion. That is about 3 per cent of gross domestic product.

Why is that 3 per cent level important? It is important because with the current growth that is the level where our economy will be growing more quickly than our national debt. That will be the turning point. It will only be one turning point. We will have to go much further in subsequent years. We will have to start at some point paying down a huge national debt that will absorb one–quarter of our national expenditures this year. It takes one–third of every tax dollar paid to the federal government.

I hope we might be able to go slightly beyond the targets. Why? It is because we never know what the economic circumstances will be a few months down the road. We have seen the volatility of interest rates over the last three or four months that make the moderate projections in the papers tabled by the finance minister now seem passé. We are on to a new scenario. We do not know whether it will happen in the future but we must be prepared for it because our credibility depends on at least meeting those targets.

We need a cushion. It is fundamental to have a cushion for an additional reason. Let us admit that we might make mistakes when making cuts that we are not used to doing and we are probably not going to be extremely good at doing. We might unduly prejudice individuals we did not intend to hurt. We might cause pain where it is not deserved. I know we will bring to these people a Liberal spirit of generosity in attempting to undo any harm that was not intended.

Let us approach this tremendous challenge with the spirit of fairness and with the spirit that every Canadian must be called upon to contribute his or her fair share to getting our national resources and our financial picture in shape. Let us not achieve it on the backs of those who are most vulnerable in the country. Let us do it in a spirit of humility that we cannot be right 100 per cent of the time, that we will make mistakes and that we want to hear from Canadians as to where we have made those errors. If that is the case on reflection, let us freely admit that we have made a mistake and rectify it quickly.

By following these principles we can go into the next decades with a much healthier Canada and with a much stronger Canada. We will be able to pass on to succeeding generations what our mothers and fathers have given us: a strong and united Canada.

Mr. Jim Abbott (Kootenay East, Ref.): Madam Speaker, before I became involved in politics which was only 15 months

ago, I was wondering what was meant by the term code words in politics. I suggest code words are being used by the Liberals.

With due respect to the chairman of the finance committee, when he uses the word "fair" and the phrase "contribute their fair share" what he is really talking about is a further tax increase. Taxes are simply the confiscation of wealth.

• (1145)

It is absolutely outrageous that this government would be compounding the problems created by the Conservatives, particularly with the corporations, that when the corporations have a loss, a no profit year, the government would turn around and confiscate some of their working capital by virtue of the fact that it says they did not make a profit this year, therefore it is going to tax them. It is a simply confiscation of their ability to be able to fund their enterprise. It is absolutely outrageous.

The top 10 per cent of people earning over the $51,000 figure pay 50 per cent of the income taxes. How much fairer can we possibly get? The top 1 per cent who earn over $100,000 pay 15 per cent. How much fairer can we get? Is this not progressive enough?

The reality is that according to well documented and fully accepted statistics, the average tax take on Canadians at all levels of government at this point is 46 cents out of every dollar. How much fairer can we get? Is there any more room in taxation?

Considering that, let us get away from the $51,000 and the $100,000 ranges and talk about the average family income, a joint family income of $46,488. Consider that family spends $17,000 on food, clothing and shelter. However, with all levels of government as a result of past activity of the federal government down loading the taxation to other levels of government, that family with an after tax income of $46,488, $17,000 of which is spent on food, clothing and shelter, has a tax bill of $21,000, which is $4,000 more than it costs to cover food, clothing and shelter.

Does the chairman not believe that there is no more room, no net tax increase, that this is the only position this government can take?

Mr. Peterson: Madam Speaker, I do not believe that for one minute.

There are some inconsistencies here. The hon. member has talked about down loading. That is the concept whereby when we make cuts in program spending or transfers to the provinces, are those services going to be performed at a lower level of government, either the provincial or municipal government?

In some cases those services will not be performed because there is no money available. As the member points out, provinces have increased their taxes in response to certain down loadings that have taken place. Is he saying that we should not be downloading this time? Why are they calling for cuts in transfers—

Mr. Abbott: Provide tax room.

Mr. Peterson: That is to me a great inconsistency. The member has also said that a large corporation with $10 million in capital that is running at a loss position should not have to pay taxes. I agree. However, if the corporation apart from loss carryovers and apart from capital cost allowances is actually experiencing a profitable year in terms of income but not in terms of taxable income, perhaps it could contribute a little more to our deficit reduction. I do not consider that unfair.

If the member is making the point that we are highly taxed, he is right. We cannot argue with this. Canadians realize this. However, this is the party that said no new taxes whatsoever. Then in the next breath it said it will tax the Governor General. In other words, there are no hard and fast absolute rules.

• (1150)

Let us look at each particular tax measure to see if we can afford it, if it would make us non–competitive, if it would have adverse consequences. Let us look at these things with an open mind.

I go back to the fundamental premise. I cannot guarantee that our entire tax system is fair today, that everybody is paying their fair share of taxes. We know that overall we are just about at the limit. We found over two years $1.1 billion in possible net tax increases that we thought might work. Two hundred million dollars out of the proceeds of lotteries; is it unfair that we should have a 10 or 15 per cent tax on $1 million won through a lottery?

Mr. Abbott: Taxing a dream.

Mr. Peterson: The hon. member says it is taxing a dream. We are also taking 15 per cent out of $1 million which was unearned as opposed to taking over 50 per cent out of the pocket of the person who has to toil all day long in order to earn that wage. Is that the concept of fairness?

I hope we do not approach this from an absolute statistic point of view. There may be certain cases in which only tax increases will give rise to that fairness but we face another problem, as the hon. members know. When we cut federal programs we do not often in the first year or in the second year obtain actual savings.

When we close down a military base and put people on the street do we actually save in expenditures when we have to provide for unemployment, severance, reconfiguring the land, getting rid of equipment and materials and things like this? We do not always have savings in the first two years.

I believe our deficit crisis is such that we have to meet our targets that we have set and we have to meet them within the time limit we set. Therefore expenditure cuts alone, while they will produce the savings we need over the longer term, may not work adequately in the first two years. This is why we may need

a little tax room on a temporary basis during the first one or two years in order to meet those targets.

I hope that Canadians will keep an open mind when they see the program, when they see the budget that comes down. I hope they will come to the conclusion that the single most important thing we must do is meet our deficit reduction targets.

The second most important priority is how we meet them. If we had to have minor tax adjustments in order to meet those targets, in order to be fair I believe that Canadians would say they do not like them, they may not like the cuts we have imposed but they will judge our overall budget package in terms of all of its aspects; who has been hurt through the cuts, who is hurt through the tax increases, minor as they may be, if there are any. We will be prepared to be judged on the basis of that entire package.

Mr. Leon E. Benoit (Vegreville, Ref.): Madam Speaker, I have a question for the hon. member for Willowdale.

The hon. member talked about this government's commitment to balancing the budget and he talked about the target of its very weak goal of 3 per cent of GDP in three years.

The interesting thing about that is it is a moving target. It has been much more rapidly moving than economic growth. The government started out talking about $22 billion. Lately the talk has been of $25 billion. It is a rapidly moving target.

The hon. member talked about economic growth and how it has been much higher than what was forecast. The interesting thing is that although economic growth has been much higher than forecasts I have not seen an acceleration in the reduction of the deficit to correspond with this income which was not anticipated.

• (1155)

I would like to ask the hon. member why there has not been a reduction in the three year target to correspond with the unexpected increase in growth.

Mr. Peterson: Madam Speaker, I am pleased to respond to that. All Canadians need an answer.

The member is right. Our growth in Canada has been higher than the norm that was set out, the target that was set out, the standard that was set out in the finance minister's economic analysis. All of us on all sides of the House I believe are pleased that our growth has been this vigorous. It means we are creating more jobs. It means we have unemployment down from over 11 per cent when we took office to under 10 per cent now. This is very encouraging because the reason we have to meet deficit targets is not an abstract study. It is not just because we want the deficit down. It is because we want to help the economy that can create the jobs and the opportunities.

Offside right now in terms of the targets, in spite of excellent growth, the interest rates have gone much higher than we thought. That is the problem and that is one of the reasons we have to meet our targets and get them down. It is one of the main reasons we will.

The Acting Speaker (Mrs. Maheu): Because the Chair recognized a Liberal prior to a Reform member, we will be doing two blocks of Reform speakers beginning with the hon. member for Lethbridge.

Mr. Ray Speaker (Lethbridge, Ref.): Madam Speaker, I would like to give notice to the chair that Reform intends to divide its time from this period forward.

The resolution that we have before us that was placed on the Order Paper by the hon. member for Capilano—Howe Sound makes a very clear point not only to this House but to Canadians that we believe there should be no net tax increases at all used to eliminate the deficit that we face in this country. I think that should be the focus of the debate here today.

Canadians have told us very clearly, as a Reform caucus, that is the message that should be brought to this House. I have found in the last few days that the rate of mail that deals with the matter of taxes has increased significantly. For example, this morning I had 80 letters delivered to my office which sent a clear message that there should be no new taxes or no net tax increase of any kind in the upcoming budget expected at the end of February 1995. I think that is a message we should listen to and not ignore it at all when we are debating this issue.

It is important that this resolution is on the floor here today prior to the finalization of the 1995–96 budget because the minister and the Liberal government must hear a clear message. By debating this supply motion I think the clear message can be presented here on behalf of Canadians.

I want to put into the record a copy of a letter I received that was directed to the finance minister. I have the approval of the author of this letter to make it available in this House if necessary. The letter comes from a resident of my constituency from Magrath, Alberta, Mr. McClung. I thought he put this tax question clearly on the table as a middle income taxpayer of Canada.

He said this to our finance minister as of January 31, 1995: "Sir, I am mad as hell and I am not going to take it any more. Don't raise taxes, cut your spending. If you raise taxes on gasoline I will be forced by you to cut back on my driving. If you raise taxes on milk I will drink water. If you raise taxes on goods and services I will cut back on my purchases of taxed goods and services. If you raise taxes on my income I will be forced by you to again follow the above pattern.

• (1200)

"In my workforce lifetime of 36 years I have seen my take home pay dwindle and my purchasing power of that take home pay dwindle to the extent that I now need a second job in order to pay for my basic needs of shelter, food, clothing and transportation.

"Your suggestion of raising taxes is revolting. It will not fly this time. This is a revolt against higher taxes. Follow the lead from the states in the United States who have raised taxes and achieved the negative revenue increase and from those states who have lowered taxes and have achieved their goal of increased revenues".

His final advice to the minister is this: "Tighten your belt as I have tightened mine". Thousands and thousands of Canadians want that message placed on the floor of the House of Commons prior to the delivery of the 1995–96 budget.

Canadians do not only feel very strongly about taxes not being increased, but they also feel they are not getting value for their dollar. They also feel they are not getting the services nor the results from that dollar that is sent to Ottawa where it is redistributed in a variety of ways.

They asked this very basic question. "Where were our tax dollars being spent? I cannot see any difference, except that I have less left over at the end of the day". They have less in their pockets to spend on their own personal needs. If we look at some of the statistics available to us, that comment is only reinforced and confirmed in many ways.

Canadians today are paying more in taxes but a smaller percentage of these dollars are really being spent on services. In 1961 the average family's tax bill was 22 per cent of the family income. Today in 1994 the average family's tax bill is 46 per cent of that respective income.

I know we have all heard the projection as to how many months of the year we pay taxes to various forms of government. Not too long ago we paid taxes until the month of May. Now we are paying taxes until the month of June and then after the month of June we have some money left over for our own personal needs and support for our family responsibilities.

We also find that since 1980 alone the average family's tax bill has increased on average by $3,500. That includes a variety of taxes that are paid. That is a major increase, a major imposition on Canadians.

If we look at the other side of what is happening in terms of services, we will see the other part of this paradox that Canadians talk about, the fact that there are less services. I have heard that expounded here in this assembly.

People today find that crime is spreading. There is more crime, more dollars are being spent. This country's roads, bridges and infrastructure are somewhat deteriorating. The government is trying to shore that up with some kind of an infrastructure program that really did not directed to roads and bridges like it should have.

It got involved in a lot of other hobby projects and projects that seemed to be the pet objectives of local, provincial and federal politicians, but not on target in terms of what is really the basic infrastructure. Look at hospital beds for example across Canada. Waiting lists have been growing while we have been spending more and taxing more on the Canadian people.

The question is obvious. Why has this happened? It is because of our debt. We owe too much money and it is costing us too much to keep on going the way we have been. In fact, if we look at it in a small segment of time, every minute costs us $86,000 in terms of interest on the debt. Interest on the debt was about 10 per cent of government spending in 1974. Today it is over 25 per cent. In other words, 25 cents out of every dollar that government spends goes to pay the interest on the debt. That is not good enough.

• (1205)

The hon. member for Willowdale has made a very eloquent speech in this House. He said that the job is tough. It is a difficult job to face this deficit question and the government is going to stand up to it. He also said in those remarks—and I hear other Liberal members saying it at the same time—that we are going to introduce new taxes when the budget is brought down at the end of February.

The hon. member for Willowdale said: "We are just about at the ceiling". Those are the kind of weaselly words we use sometimes as politicians to say: "We are going to do something. We do not think we have pressed you hard enough. We do not think we have taken enough from you. We are just about there but we can take more".

In the Reform Party we believe we are at the ceiling. Canadians believe we are at the ceiling. We have paid enough taxes and there is no room between us and the ceiling of taxation.

The government has made a great case to Canadians about the fact that we have to create jobs. If we tax more, what is going to happen to the jobs?

The question was raised earlier about the hurt in terms of taxes and the economy. We know it will hurt individuals. We know it will hurt the budget of this country. Every 1 per cent increase in our interest rates, which is a direct result of increased taxes, will create a problem. I do not think that is acceptable.

Mr. Harold Culbert (Carleton—Charlotte, Lib.): Madam Speaker, I listened with great interest to the hon. member's presentation this morning.

One of the things I should tell him and other members of the Reform Party is that they are not the only party or the only body

to invent public forums to create the opportunity for people to provide direct input to their members. Like the Minister of Finance and many other members of this House, I have had many public forums.

Last fall we talked about the debt and the deficit. We talked about the ratio of offshore debt which we currently have and the concerns which that gave all of us here in this House as well as Canadians.

He referred to the goal this government had set of bringing our debt under control over the next three years, starting with the current year of bringing the deficit down to $39.7 billion, to go on to $32.7 billion and $25 billion in the third year, to reach our 3 per cent of gross domestic product. I want to assure the hon. member across the way that is only the first goal. The second goal will be to achieve a balanced budget as we go on to tackle and to break the back of the debt which this country has.

One of the things I have often heard from that side of the House is: Let us fill those loopholes that are in our taxation system; I am sure learned accountants across the country will find new ones if new taxation forms, but let us fill them. The minister has indicated on many occasions that he will make every attempt to fill those loopholes.

The system which we have to work with today, which has been inherited and has been added to over many years is cumbersome. We would like to streamline it. There is no question it needs to be done. I believe the minister will make every attempt to fill those loopholes to make our tax system more fair and equitable to all Canadians, regardless of whether they are in the upper echelon of social status, in the middle income group, or in the lower income group. That is what balance and equity are all about.

• (1210)

There will be those who will consider that attempt to fill in those tax loopholes as a tax increase, no question. Anyone it is going to affect will consider it a tax increase.

I would like to ask the hon. member across the way if that is not really indeed what he and his party stands for and would support and which the minister, I certainly hope, will bring forth in his budget.

Mr. Speaker (Lethbridge): Madam Speaker, the Reform Party believes there should be no net tax increase in terms of revenue to the Government of Canada. There is adequate revenue to support the programs that are here with a change in some priorities. That is number one.

If we plug a loophole somewhere which increases revenue, that should not mean we increase the overall revenue but we should then look at reducing tax somewhere else to the benefit of Canadians which may create some jobs in the marketplace. That would be a good transfer if it is possible. We are not against the plugging of loopholes for fairness, whatever that term means.

On the other side of the balance scale, expenditure reduction and deficit elimination is the road to which we can balance the budget and bring our fiscal house in proper order. We do not believe that 1 per cent of GDP expenditure reduction in three subsequent years will hurt or harm our economy in any way. That is a goal that could be achieved.

The government should look at that. The government is not. It is going to, as the member has stated, work toward the objective of 3 per cent of GDP, which will accumulate another $100 billion on top of our debt. This means that our interest payments may go from $40 billion to $50 billion which I think Canadians do not want to tolerate at this time.

Mr. Cliff Breitkreuz (Yellowhead, Ref.): Madam Speaker, today our country stands at a crossroads. Some say it is a watershed year for Canada. Two very crucial issues must be addressed as we go further into 1995, a year that could very well be the most decisive since Confederation.

The most important issue which must be addressed this year is the national deficit and debt crisis. It is growing by $110 million per day because of federal government mismanagement. The public is becoming all too aware of the effects of big government, big spending and big debt.

My colleagues alluded to the effects which are upward fluctuating interest rates, downward pressure on the dollar, higher taxes, lower consumer and investor confidence, and of course a lower standard of living.

It is interesting to examine what has happened to Canada's fiscal health since the 1960s. That decade rushed in the era of soak everyone, pay everyone's style of government, a government that would create a host of programs to look after the people, the creation of the just society.

Now we see the results of the so–called just society. We have the social welfare state, unsafe streets and the average family's tax bill which has soared by 1,200 per cent since 1961. That is three times the rate of inflation.

The time of government largesse must stop. The Canadian public is demanding balanced books from all levels of government. People are tired of paying for programs they never wanted, they never asked for and they certainly do not want to pay for.

That is why the Reform's supply motion is so important. We are asking that the federal government respond to the demands of Canadians for decisive spending cuts and no net tax increases to eliminate the deficit and to produce a smaller federal government.

My constituents are expressing their dismay over continued federal government mismanagement of their tax dollars. Like my colleague before me, I receive letters as well, lots of them.

Patrick W. Paul, a concerned taxpayer who lives in Edson in my Alberta riding of Yellowhead, expressed his sentiments in a letter to the finance minister. I have his permission to refer to it: Mr. Paul writes:

> I would like to express my extreme concern over the fiscal quagmire our country of Canada has descended into. The taxpayers of our country have been forced to shoulder the burden of government fiscal mismanagement for too long. It is time for government to change. Increased taxes, year after year, rampant out of control government spending, rising interest rates and an ever downward spiralling dollar have caused tremendous pressure on the Canadian taxpayer.
>
> Massive government bureaucracy, ridiculous social programs and paper tiger politicians are costing us too much. We cannot continue. We are the source of ridicule around the world, from the world press to even more seriously the world financial community. Our out of control debt, weak willed politicians and rudderless leadership are the sources of this ridicule.

• (1215)

Patrick Paul shares the opinion of most of my constituents who have taken the time to phone, to write or to stop me on the street. It is coffee shop talk. They want accountability. They want the federal government spending spree to stop.

Mr. Paul continues in his letter to the finance minister:

> Now is the time to stop this lunacy. Use your mandate to dramatically reduce government spending and the size of government. This budget must reflect an immediate move by government to correct our problem. Do not increase taxes in any way, shape or form! Do not attack my pension plan through any alterations to the RRSP program—this is my pension plan, not yours. Do not approach this in a cavalier manner. There is no accountability in the federal political system, only pandering to special interest groups, lip service and finger pointing. Stand up, do the right thing and make the necessary cuts required. Accept the responsibility of your position, be accountable for your actions. Help your country. We are doing all we can.

Like so many Canadians, Mr. Paul has a warning for the finance minister and his government:

> If this process does not begin with the new budget and there are no significant moves to correct this out of control situation, I promise that I will do everything in my power to contribute to the defeat of your party in the next election.

Despite the most serious warning from the taxpayers and voters of Canada this government continues to be unaccountable. We keep hearing through the media about possible tax increases in a few areas. People are demanding accountability. Unaccountability also takes form through the convoluted, cooked up answers we receive from the Liberal government regarding government spending.

Last week my colleague from Fraser Valley West asked a pertinent question regarding a suspect federal expenditure. He specifically questioned the merit of a grant for $33,800 for the study of major league baseball in Detroit and how this possibly benefits the taxpayers of this country?

The Secretary of State for Science, Research and Technology expounded a typical non–answer and told the House: "The Social Sciences and Humanities Research Council, an independent arm's length body, has done a great service to university researchers and has provided a very important foundation for knowledge in the country". Since when is the knowledge of the Detroit Tigers baseball team between 1945 and 1992 of any importance to the knowledge base in Canada?

The Secretary of State for Science, Research and Development does not have a monopoly on unaccountable answers in this place. The Minister for Western Economic Diversification is also good at dodging the issue of accountability of public funds. I asked him about spending in his department last week. He reply was filled with more rhetoric than substance.

I recently released a critical report of the Department of Western Economic Diversification. This 36 page document points out the inherent flaws of regional development programs, including using government money to subsidize private industry, distorting the competitive marketplace and pork barrelling.

The report I released, based on date received from the WED department, showed that the minister's home town of Winnipeg received a disproportionate amount of WED dollars between November 1, 1993 and November 15, 1994. The figures used in this report included a list of all the projects both announced and published by the department during that year. It shows Winnipeg received five times more than Vancouver, seven times more than Calgary and seventy times more than Regina.

In defence of this program the WED minister said there is another 80 per cent of projects which have not been announced yet.

• (1220)

I refer to an editorial which recently ran in the Vancouver *Sun* which sums up the absurdity of trying to defend this pork barrel program. The editorial is aptly entitled "The Sage of Patronage" and begins: "And the prize for the worst political defence of 1995—yes, it's early but we just can't believe anyone will outdo this—goes to the staff of minister for Manitoba patronage, Lloyd Axworthy. Alberta Reform MP Breitkreuz pointed out that while Manitoba, population one million, had received $22 million between November 1, 1993 and November 15, 1994, British Columbia with a population of 3.3 million received $52 million. That is $22 a head for Manitobans, $15.75 for British Columbians".

The editorial goes on to state: "Not fair, said Mr. Axworthy's communications assistant. A better comparison, she said, would include all projects which have been approved but not yet announced. Using her figures we see that while Winnipeg, population 652,000–plus, received $27.4 million, greater Vancouver with a population of 1.6 million received $19 million. That is $42 for every Winnipeger as against something less than $12 per head in greater Vancouver".

In trying to defend this program we see Winnipeg gets even more money than is stated in my report.

The taxpayers of Canada are tired of politicians trying to preserve the status quo because it is painfully obvious that the status quo no longer works. They want and demand their federal government to be fiscally responsible. The upcoming federal budget gives the government a chance to prove to Canadians that it is capable of acting in the best interest of the majority of taxpayers and cut spending, priorize spending to do the right thing for Canada.

Mr. Alex Shepherd (Durham, Lib.): Madam Speaker, I listened with interest to my fellow colleague.

All of us are opposed to tax increases. In my lifetime I do not remember anyone ever saying that they were in favour of tax increases. I can go back 20 or 30 years, I do not remember anybody saying that they liked the concept of tax increases.

I am surprised by some of the attitudes of the members of the Reform Party toward changes in expenditures. For instance, I heard the previous speaker talk in terms of any changes in revenue that came through a redefinition of taxation expenditures should somehow be turned around and given back. In other words, it should not be used to reduce the deficit.

At the same time, the same people are telling us that we are not moving fast enough on deficit reduction. I am getting mixed messages. I do not quite understand what they are trying to say.

RRSPs are a good example. The previous government raised RRSP exemption levels to $13,500, that is income levels for individuals earning $75,000. A proposal that I have had is to reduce that down to $9,000. With a $9,000 exemption that would be somebody with a $50,000 income. The object of the exercise would be that people earning over $50,000 surely can save for their own retirement without getting assistance from the taxpayers of Canada.

A second aspect of this also has to do with the foreign component of registered retirement savings plans. Currently we allow up to 20 per cent of RRSP funds to be held in foreign denominations. Once again the question is why is it that the Canadian taxpayer is allowing a tax deduction on their tax return simply so people can invest in foreign countries? It seems to me if people want to make the decision to invest in foreign countries they can do so without the credit of the taxpayers of the rest of Canada.

I am often concerned when I hear people talk about loopholes and incentives.

• (1225)

In my background as an accountant, today's incentives become tomorrow's loopholes. The loopholes we are talking about blocking today were probably yesterday's incentives.

The other aspect about no more taxes, of which I am a believer, is the deficit. The reality is that a deficit is unpaid taxes. In other words, we did not pay enough taxes and that is how we created this deficit; or, as some my colleagues would argue, we spent too much relative to our tax base. Be that as it may, as of today the deficit represents taxes we have not paid. The bottom line is how are we going to resolve those kinds of problems?

I have taken the time to work on a private member's bill which I hope to introduce this month that I call the taxpayers' bill of rights. The bill basically focuses on government spending and how government spending affects each and every individual. In other words, every time the government announces a program it should be visible and costed on a per taxpayer basis. It should allow the individual taxpayer choices and rights.

Do they think a bill in that vein would be good for accountability? Why do they feel expenditure reduction should not be used in fighting the deficit?

Mr. Breitkreuz (Yellowhead): Madam Speaker, it will have to be very brief. I believe the member used almost my entire five minutes with some more Liberal rhetoric.

We believe in a zero tax increase. We believe money is much better left in the hands of Canadian citizens than in the hands of politicians. The whole problem is not increased taxes, it is the money the government spends. It is definitely a spending problem, not a revenue problem.

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Madam Speaker, I would not have thought it necessary to have this debate today. After the October 1993 election I thought the message would have sunk into whichever party formed the government.

Canadians want decisive spending cuts, no net increases in taxes and a smaller, less interfering central government. What has happened? Since taking office the Liberal government immediately inflated the size of the deficit so when it was seemingly reduced it could pat itself on the back, saying job well done.

By doing this Liberals avoided tough decisions. Then we had the costly cancellation of the helicopter EH–101 purchase. Long term, high tech jobs were lost and millions paid in cancellation fees. The Pearson airport contract was cancelled. An airport desperately in need of refurbishing is allowed to decay while the

Liberal government fights it out with developers over the costs of cancellation. Again, jobs are lost and taxpayers' money is to be paid out with no gain whatsoever.

The infrastructure program begins. Billions of dollars borrowed for infrastructure programs by communities that needed jobs but not increased debt. We know that in a healthy economy it is the business sector that creates jobs, real jobs, and not the government through temporary government programs. As the unemployment figures released last week indicate, the jobs are not there anymore but the debt surely is and will be for years to come.

Then in the 1994 budget it is handed down, the great wait until next time budget. Canadians sat in anxious anticipation, hoping at last a Liberal government would make tough decisions. Who were they kidding? The joke was on the people of Canada. The government they elected, this Liberal government, let them down. Spending programs abound in last year's government's budget.

It is hard to imagine a government elected to make tough decisions using the old phrase that losing sports teams use, wait until next year. This is next year and there is still no sign of any willingness to take tough decisions. The government had a chance but really side stepped it.

Canada was going to go through the most massive restructuring of the social welfare system since it was put in place. Studies began. The minister of human resources made grand announcements. Policy and discussion booklets were produced. Two sets of committee hearings were held. This committee of the House of Commons travelled across the country in both sets of hearings.

Four million was given to 159 special interest groups. The people we should have heard from are regular, hard working Canadians who regularly pay their taxes and receive no special grants or privileges. However we heard from special interest groups to ensure that the committee heard testimony. And to what avail?

• (1230)

The minister of human resources announced that the government will have to deal with its budgetary problems before it will be able to get on with reforms. To paraphrase and perhaps combine a couple of old expressions, when the government's fiscal chickens came home to roost, they could not because the field was too full of social welfare sacred cows.

The Liberals side stepped yet another decision to revamp and reshape our social system. It is hard to believe a government so early in its mandate would admit to be fresh out of new ideas.

No one in Canada who has studied our social welfare system believes it needs more money thrown at it. If the government was not going to do anything, why did it spend all the money studying reform? How much did this exercise cost: $10 million, $20 million? Who knows, who cares? Obviously no one on the government side.

We in the Reform Party care deeply. We care about the country and we care about its people. As elected members to this House we realize we owe the people of Canada a duty, a duty not just to criticize but to present alternatives. We believe that the country's financial situation must be addressed in a positive way before the next election.

As a policy the Reform Party believes the solution to our deficit problem must be found on the expenditure side rather than on the revenue side. Presently the government has more than sufficient tax income.

Canadians expect to pay taxes. Canadians expect the government to spend our tax dollars wisely. When the government mismanages our tax dollars as governments have been doing since the 1960s, Canadians get angry. We cannot blame our fellow Canadians for not wanting their hard earned tax dollars to be wasted on grants, unnecessary byelections, make work programs and government to government international aid, among other things.

I recently heard a suggestion that the Liberals might bring in temporary tax increases. Let us not forget another temporary tax measure which was introduced many years ago. It is still with us today. It is called income tax. This tax takes the biggest bite out of our incomes. But it is not the GST, income tax or any other tax that is the problem. It is mismanagement. The problem is mismanagement of our tax dollars.

As Reformers are saying, Canadians fear that the Liberal budget will be the worst of all worlds: spending cuts that are insufficient to lead to a balanced budget and solve the problem, combined with tax increases that reduce disposable income and kill jobs.

As Reformers have said in the past, we believe the first change should come with reform of the MP pension plan. We are not talking about MPs' salaries, which from what I have seen since I have been in Ottawa indicates that MPs work very hard to earn their salaries. Cuts must also come in the institutions of government; the office of the Governor General, the Senate, the House of Commons, the Privy Council and the Prime Minister's office.

We must look at excessive travel of senior officials and urge the government to reduce the number of ministers of state and associate ministers. Cut down the size of government. The Reform plan in the end is to have a smaller, less intrusive and more efficient federal government.

We can include the electoral boundaries reform. Cut spending. We do not need 295 MPs in the House of Commons or 300 plus, as the government is suggesting. Each MP costs Canadian taxpayers about $1 million. The country to the south of us has 270 million people to our 27 million. They have approximately 437 in government to our 295. Last week in Washington I met

with American congressmen, congresswomen and constituents who told me their representation was very effective.

Reform is on record for looking at federal funding to multiculturalism and the official languages program. These are just some of the examples where Reform would cut.

We must protect law enforcement, health, education and our environment. We believe we must bring forward alternatives so Canadians can see there is another way other than the Liberal way. We see a need for a fresh, new vision of social policy in the next century, forwarded on the belief that the best guarantee governments can provide of individual personal security is to establish a framework of laws within which individuals can save for or insure against each of the contingencies that life may bring upon them.

We believe in five guiding principles to support our vision of the future. First, build on the Canadian tradition of self–reliance, recognizing the family as the primary caregiver in society.

Second, empower communities and charitable organizations to play an ever increasing rather than a diminishing role in social security.

Third, provide temporary assistance to people who experience short term misfortune while ensuring that long term assistance is reserved for those who are generally incapable of providing for themselves.

• (1235)

Fourth, where government must be involved in social service delivery, entrust the resources and the responsibility to that level of government which is closest to the people.

Fifth, ensure that we can pay for security measures without borrowing more money.

We believe that security must be provided against these types of problems. The first class of security need is for protection against personal catastrophes, such as a medical emergency or the death of a family's chief income earner.

The second class of security need consists of needs that will arise reasonably far into the future but which are predictable. Most people will have such needs at some point in the future. One cannot insure against them but one can prepare for them. Typical needs in this class are post–secondary education, non–catastrophic health care, retirement income and periodic unemployment.

The final class of security need is for intermediate help for those who have not been able to provide for themselves. This is the proper function of charity or, in the absence of it, government transfers.

This is not the cruel and heartless vision of social reform that is attributed to us by the media. It is a system designed to deliver a sufficient level of income to ensure that nobody lives in poverty. Public assistance is to be directed at those who for reasons of physical disability or advanced age are incapable of providing for themselves. At the other end of the scale no one with enough to pay taxes would receive assistance and those who receive assistance would pay no tax.

We must begin to rely on ourselves. We must rely on our families. We can no longer ask the government to provide personal security from the cradle to the grave.

These are some of the ways in which we can achieve a government which is smaller but more effective; spending cuts which eliminate programs that are no longer useful but retain our much needed health care system and our criminal justice system.

I hope the government is listening and will adopt these measures in its upcoming budget.

Mr. Mike Scott (Skeena, Ref.): Madam Speaker, it gives me great pleasure to rise in the House today to support my hon. colleague's motion urging the government to deal with our budget crisis through spending cuts rather than new tax increases.

I cannot stress enough how important it is to approach budgetary policy from the point of view that government in Canada is too big. There is a very simple reason why government spends too much. It tries to do too much. It tries to do things that it either cannot do at all or that it can do but does very badly.

I brought up this point in discussing Bill C–65. I said then, and I say now, that unless the Liberal government understands where the deficit problem is coming from, it will not be able to solve it. I said that our spending problem comes from our big social programs and that no solution which fails to target them can allow us to deal with our spending problems.

I also said then, as I say now, that we should listen to the Auditor General. We should make sure that when we devise a program we understand clearly what it is supposed to achieve. We should also make sure that we have a clear set of criteria to measure whether or not it has succeeded. We should shut it down if it is not succeeding and shows no signs of succeeding. That applies to the question of how to cut spending. It also applies to the question of whether to cut spending.

Our fundamental objective is to balance the budget. A secondary objective is to balance it at a sufficiently low level. If the government were to balance its books by spending and by taking in taxes three–quarters of the GDP I would not be happy. We should certainly consider whether any budget balancing measures lead to a zero deficit at an acceptably low level of overall spending and taxation. Our main objective is to balance the budget.

I know that the Liberals are still waving their little red book and claiming that 3 per cent of GDP is a good deficit target. It is not. It is painfully inadequate. Let us suppose that all we are setting out to do is to reduce the deficit to 3 per cent of GDP, to go over the cliff a little more slowly. How are we going to do it? What will our program be? How will we tell if it is working? What will we do if it is not?

There are three ways to try to control the deficit. The first one is to raise taxes. The second one is to cut spending. The third one is to fiddle the books. In my home province of British Columbia they are getting pretty good at number three. I am not even going to consider it. The only thing that I am going to say is that leaving things like the Canada pension plan off budget is not a good idea.

• (1240)

Let us assume that the federal government's books get neither better nor worse over the next few years. That leaves raising taxes or cutting spending. I do not think there is any big mystery about the appropriate yardstick for success or failure. Is the deficit getting bigger, staying about the same or is it getting smaller? By that standard, any reasonable person would conclude that what we have done over the past decade has failed.

If members want a grim laugh go back and read some of the speeches by one Brian Mulroney while campaigning for the Prime Minister's job. Or go back and read the budgets of Michael Wilson or Don Mazankowski. Heck, read the budgets by the former Liberal finance minister, the Prime Minister. They all preach about the dangers of deficits and debt.

It is absolutely amazing to see how many budgets are brought into this House and prefaced with the remarks that the deficit and the debt are the most primary concern of the government of the day. They all promise to bring budgets under control and I have no reason to think they were anything but sincere. Look at the method they chose: constant tax increases. Apply the yardstick. Did the deficit shrink appreciably? No, it did not.

George Orwell once said it is the first duty of every intelligent person to state the obvious. I am about to state the obvious. Tax increases have been tried as a deficit reduction measure for a long time and they have failed. This is also true internationally. It is time therefore for us to recognize the wisdom of an observation by Nobel prize winning economist Milton Friedman: "Governments will spend whatever they can take in plus whatever they can get away with".

The record is clear. Tax increases do not solve budget imbalances. Budget imbalances are caused by spending. They are caused by programs whose appetite is far greater than the tax system can deal with. No tax increases. Spending cuts.

The problem is on the spending side. That is where the ducks are. As Ralph Klein from Alberta said: "If you want to go duck hunting you have to hunt where the ducks are".

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Madam Speaker, I would like to note that I will be sharing my time with the member for Carleton—Charlotte.

I am pleased to participate in this supply day debate. It allows me to remind the House of a very important policy paper on the government's economic strategy by the Minister of Finance presented at the Standing Committee on Finance last fall.

I know that Reform has little time and less interest in any prescription requiring more than a single syllable. Its formula for government, for the economy and for the budget is simply slash and burn. It has the same petulant one–syllable approach to even boosting revenues by improving tax system fairness, that is, no, no, no.

I regret sounding so sarcastic but frankly that is the only reasonable response to a motion that sings a one–note song: cut the deficit. It proves that the Reform, a Johnny one–note party still cannot recognize the wider economic context that governments and budgets must address.

The great political philosopher Edmund Burke said: "The essence of tyranny is the denial of complexity". Deficit reduction in a way that lays the foundation for deficit elimination is essential. That is why the government has staked out concrete targets for dramatic deficit cuts. We have made clear that the ultimate goal is deficit elimination. Just reducing or eliminating the deficit by itself will not sustain or secure the type of country most Canadians want and expect. At a time of accelerating technology and evolving skills, when almost one in ten Canadian workers are still jobless, even a balanced budget alone will not deliver the new opportunities they need.

• (1245)

This is where our government differs so fundamentally from the Reform opposition. We understand because a majority of Canadians understand that Canada needs a disciplined strategy for economic security and growth.

Under the previous government Canadians saw too often and too much what happens when a government implements spending cuts without clear guiding principles. It is like building a house without a blueprint. It is costly in the long run and then the roof falls in.

That is why our government has set out the framework for economic policies we intend to build upon. The paper "A New Framework for Economic Policy" is a clear statement of objectives that will guide what the government will do and what it will not do. The logic and approaches of the 1960s simply are no

longer good enough for a 21st century global arena. We cannot afford them and we will not succeed with them.

Previous generations responded to the challenges of their eras by building the physical and social infrastructures of Canada. We too must create a new infrastructure for our time, the infrastructure of ideas and innovation. That is the thrust of our new framework paper. It proposes five key areas on which we must focus.

The first is helping Canadians acquire the skills to get jobs, to keep jobs and to find better jobs. The facts are clear. Jobs for people with high school education or less are shrinking while jobs for those with education beyond high school are growing. In fact projections show that almost half the new jobs now being created require more than 16 years of education and training combined.

I should add that there is a particular element of this challenge that engages small business. They do not have the resources of large firms to bring employees up to speed with the new skills that our information age increasingly demands. They depend on a public education system that can do its job.

In terms of education the challenge in Canada is not money. We spend more on education than just about anyone else. What we need are better results. Individuals, employers and the government must co–operate and share responsibility for improving education and training.

The second part of our framework is encouraging Canadians to adjust to change. Economic progress depends on a willingness to embrace new opportunities. It is our view that protecting and subsidizing business is almost always the wrong way to go.

For that reason the government is going to change the entire approach to subsidies. Equally we believe regional economic assistance should focus on genuine opportunities such as tourism that have great potential to be self–sustaining. Further, we believe high payroll taxes are nothing more than a tax on hiring. That is why we have taken steps to reduce UI premiums.

The third element of our framework is getting government right. Our attitude here is straightforward. It is time to make choices. We must eliminate or reduce lower priority activities and target scarce resources on the highest priority programs. That is one reason we are also trying to eliminate unnecessary federal regulations that cost Canadian business tens of billions of dollars every year.

Regulatory reform has the potential to increase productivity, stimulate new investment and create a more cost efficient government. We have already reviewed more than half of the 3,000 regulations on the books. We have eliminated one–quarter, left another quarter in place, and the rest are being revised or examined further.

Providing leadership in the economy is the fourth objective. While the private sector creates jobs the government has a clear role in fostering economic growth. In our knowledge based economy success depends on skill and innovation. The government can contribute to this dynamic process by gathering and disseminating information and ideas about technology and new markets. As well it can play an important role in bringing business together, something that is critical in an economy where new firms are small and specialized.

• (1250)

One priority is to do more to harness science and technology in order to improve productivity and growth. Government can help by building better links among industry, universities and government labs. It also has a particular role in making sure small business benefits from the latest know–how, particularly in the high technology sector.

Trade is another area where government involvement is essential for success. Today more than ever Canada is an exporting nation. It is vital that more companies become exporters and that we look beyond our traditional markets to the emerging economies of Asia, Latin America and eastern Europe. Here the government can help by providing more information and by ensuring that small businesses have access to export financing.

The fifth and final objective is absolutely essential to all others. We must create a healthy fiscal and monetary climate in Canada. If we do not meet this fiscal challenge, as the finance minister told the Standing Committee on Finance, we will fail at everything else.

That is why we have staked out a rigid commitment to bringing the deficit down to 3 per cent of the economy in three years, effectively cutting it in half. That is why we have also made it clear that this deficit target is a first step in meeting our ultimate goal of eliminating the deficit completely.

It would be absurd to claim that a single paper is the answer to curing Canada's future, but it is equally absurd to promote deficit elimination as a cure–all of every Canadian challenge. To me and I hope to all Canadians the evidence is clear. Our government has a vision of the role for government in building a more prosperous nation.

The opposition would better serve its mandate by providing meaningful policy alternatives rather than simplistic motions without scope, without depth and especially without heart.

Mr. Jim Abbott (Kootenay East, Ref.): Madam Speaker, it is interesting the secretary of state, being as it were second in command just under the finance minister, delivered the speech that he did this morning. I do not think he or perhaps the government or perhaps the Liberal side understands that Canadians are concerned about a further tax grab, about further tax increases.

While I respect the fact that the secretary of state gave us a nicely balanced speech about economic objectives, fostering economic growth and all these other things that are essential, nonetheless I would point out to him that what is concerning Canadians at this time, and I would suggest what is concerning foreign investment or people who are buying marketable securities offshore or outside the country, is that his government just does not seem to understand. It is an overexpenditure problem; it is not a taxation problem.

I am fully aware that my comment and my follow–up question are not going to be directly on what he just spoke about, but I suggest with the greatest respect that his speech did not have anything to do with the topic that has been brought forward by the opposition, the Reform Party in this instance.

I am sure that coming from the banking background and as an economist he would be aware of the fact that while corporate profits have dropped 10 per cent in the last 10 years corporate taxes at all levels, including compliance costs, have increased by 69 per cent. I therefore find it somewhat strange that he and his government would be talking about a further confiscation of the wealth or the ability of corporations to be able to fund themselves.

I was listening to the chair of the finance committee talking about the fact that there are corporations that because of fast write–offs or other procedures involved in the current tax system should be taxed. That is why the government is talking about a wealth or a capital tax on larger corporations. This is exactly what the Liberals are talking about.

Would the secretary of state be able to inform us whether he, the finance minister and their colleagues are perhaps talking about a cash flow tax? In other words we understand that we have a wealth tax.

• (1255)

Because a corporation is able to carry forward losses and other legitimate things in the tax system it has a sufficient amount of flow. The government will say: "My goodness, here is a couple of million dollars flowing along. Why don't we put our ladle, our pail or our big scoop into this tax?"

Does the Liberal government not understand that individuals and corporations are saying no tax increase?

Mr. Peters: Madam Speaker, I am delighted to reply to the hon. member's question. Again we find the Reform Party is suggesting new taxes. The only matter of taxation the finance minister has mentioned is that we will continue to make the Canadian tax system fairer.

The Reform Party keeps suggesting new taxes. Let me tell Reform Party members that Canadians are not just concerned with taxes. They are concerned with taxes; they are not just concerned with taxes. They are also concerned with jobs. They are concerned with education. They are concerned with crime in the streets. I read my mail every day. They are concerned about all these things.

The Reform Party is playing a Johnny one–note tune on deficits and on taxes and is missing what Canadians really want.

Mr. Harold Culbert (Carleton—Charlotte, Lib.): Madam Speaker, I am pleased to join in the debate.

During one of the question and comment periods this morning I mentioned that like many members on all sides of the House I have had an opportunity to host public forums on issues such as the debt and the deficit. We got input from people across our constituencies on what their approach would be. That is part of our responsibility. That is a part of our ongoing job.

Many people said to me that there had to be cuts on the expenditure side, that the government had to do better, that we had to eliminate waste wherever we find it or wherever possible, and that we had to avoid duplication in efforts whether with departments internationally or our provincial counterparts in their respective departments.

The finance committee looked at those matters during its review. The minister and his department have taken them into consideration during the process of preparing for the budget. I say to my colleagues across the way that many Canadians have told us at these meetings that they want government to get it right. That is exactly what we are attempting to do.

People lost faith in our predecessors. Goal after goal was set. Was one ever met? I do not recall one that stands out in my mind as being met.

The government set goals like one might in business. Any good business person knows that challenges and goals must be set for both the business and the staff. Goals are set that offer challenge; the goals are achievable albeit difficult. That is exactly what we have done as a government. We have set some difficult goals.

• (1300)

I have to admit in many cases I have scratched my head and asked how we are going to meet this, that it is going to be very difficult. During the process both the finance minister and quite obviously the Prime Minister have asked all departments, all portfolios and all ministers to share in this challenge before us. I am sure in many cases specific sums were expected to be cut from the respective departments.

As everyone in this House knows, program review has been taking place. That program review asked every department and every portfolio to look at every line of every expenditure to ensure that they were going to be able to justify it to you and me. Ultimately that is where our responsibility lies. It lies not in the

day to day operation but in the policy, the planning and the review of the results. That is exactly what the Minister of Finance will do when he brings down his budget.

As we mentioned earlier, this government did set a goal. We took over in the 1993 fiscal year a deficit of some $42 billion which had once again gone even further than the previous administration had projected. We set a goal to bring that deficit down this current fiscal year to $39.7 billion, next year to $32.7 billion, and the third year to $25 billion, thus meeting our commitment of 3 per cent of gross domestic product.

Members would know that in the last couple of weeks the Minister of Finance has stated publicly that not only will we meet that goal this current fiscal year but we will exceed it. That is great news for us. It is fantastic. That is what we should be working toward and challenging ourselves toward. I know the Minister of Finance is doing that and is impressing on the staff of the department to ensure we do all possible to not only meet the current year and subsequent year goals but to surpass them if we possibly can.

During this whole process of reaching our goals we have another goal. That goal is for growth and job creation in this country. Of all the G–7 nations in the world, the economic leaders of the world, in the 1994 calendar year this country was number one. We were number one in the world in economic increase and development.

That in itself is part of our challenge, the balancing part, to be very gentle. The actions we take must be balanced to achieve our goals in reducing our deficit, taking hold of our debt, bringing home those offshore portions wherever possible but at the same time doing it in a balanced fashion that will keep another commitment of this government for economic development: jobs and growth. We call it our growth and jobs agenda.

• (1305)

Members will notice that every piece of material which has been brought forward by this government has had that as the number one priority: jobs and growth. Growth economically for our businesses. Jobs for our young people completing community college and post–secondary education in universities. It is so they will have the opportunity we and our parents had to have a job, to have that self–discipline, to have respect for themselves, to know that following their education there is an opportunity in this country to go to work and to provide for themselves and their subsequent families.

As a member of this government I am indeed proud of the approach it and our finance minister have taken fiscally. There is no question we want to see the major part of deficit reduction done on the expense side. There is no question and the minister has stated that time and time again.

As I mentioned before, a number of those loophole areas are going to have to be filled. I pressured the minister, others did as well. That will be seen by some people as tax increases. I see it as being a fair and equitable tax system for all Canadians.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, I was listening with great interest to the member's speech. He was talking about the goals the government has set. I would like to talk about those goals.

I wonder if the hon. member would agree with me that if we aim low we just might be able to succeed sometimes, if to aim low so we can succeed is not necessarily where the government is coming from. I wonder why the Liberals do not realize that you cannot get over a wide chasm in two jumps.

The situation is that with our constant overspending and our constant deficit building we are taking the future from our great–grandchildren who we do not know and we have not seen yet. This is an intergenerational transfer of taxation. With the spending we as Canadians under this Liberal government are presently doing, we are handcuffing our descendants countless years into the future with taxation. It is for money we are spending today.

Specifically the government talks frequently about this 3 per cent thing. The people of Canada should know that since the government took over, the federal debt, not the deficit which is the overspending but the federal debt, has increased $60 billion. That is just since this government has taken over.

The government's target is to get to 25 per cent of gross domestic product within four years. People like ourselves figure four years times $25 billion is $100 billion. It will be significantly more than $100 billion. Even if we stayed with $100 billion additional debt, the interest charge on that additional $100 billion that we are having our great, great, great–grandchildren responsible for with their taxation, is $9 billion a year.

The federal transfers for post–secondary education are $2.6 billion. The federal transfers for health are $6.5 billion. In other words for just health and post–secondary education, it is $9.1 billion. And this government with $100 billion more debt is going to be encumbering our great, great–grandchildren with $9 billion more.

It is going to be a lot more than $100 billion, but let us take that number. If the government in all of its wisdom is prepared to go $100 billion more into debt, the interest charges will be at least $9 billion. That then wipes out our ability to fund post–secondary education or to make federal transfers to the provinces in support of health care. Where in the world does the hon. member expect to get that from, except the bogey man which Canadians are concerned about because it is more of a tax grab, more of this government in Canadians' wallets?

• (1310)

Mr. Culbert: Mr. Speaker, relative to the points and concerns made by my hon. colleague across the way, I should say first of all that I am not sure how the Reform Party set its goals low as he has suggested. However the Liberal way is to set goals that are a challenge, yet goals that are achievable even though they may be somewhat difficult to achieve. We as a Liberal government have set those goals and we will achieve them, as everyone well knows.

I agree with my hon. colleague across the way that no question, when talking about compound interest, it is a wonderful thing when you are receiving it or if you have dollars to invest and can receive it. It multiplies day in and day out and is a wonderful thing. He is absolutely right. It is a terrible thing when it is the other way around and you are paying your debts. Whether it be us in our private lives, or business, or certainly as government, there is no question it is a terrible thing.

Those goals have to be set and we have to meet those goals and those challenges each step of the way as we go along. In this case we will meet our first goal of reaching 3 per cent of the gross domestic product. Our next goal will be on a balanced budget. Following that, we will break the back of this country's debt. We will take hold of these finances for years and years to come.

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, I would like to respond to the remarks made by my colleague across the way.

We hear from these Liberal members today about how essential it is for government to be involved in the economy and how if we can do things just a little better, if government can just get it right, things will get better in Canada.

We hear about complexity and we hear about the wider economic reality as if these were some buzz phrases that meant that government has to stay involved in the economy. I would suggest that we have had 25 or 30 years of government involved in the economy, trying to direct the economy, trying to drive us to where it would like us to be and it has failed miserably.

There is a model right now for government to emulate and that is Mr. Klein's government in Alberta. Mr. Klein has done some very courageous things starting with the elimination of the MLA's pension plan and a reduction of the MLA's remuneration. He has demonstrated leadership at the top.

Then he has gone on from there to make across the board cuts, major cuts in his government's spending. The reality of that is that Alberta is creating jobs. It is instilling investor confidence and it is showing the people in Alberta that it is serious about reducing its debt and its deficit.

Would the member across the way not agree that is the model for this government to be following rather than to be following the tired old ideas that have not worked and will continue not to work if this government continues on its present course of action?

Mr. Culbert: Mr. Speaker, first I should say that government's involvement is certainly to set an economic confidence in this country in which the business and industry communities can build economically to create those jobs. That is where the jobs come from. The member is right. They do not come directly from government. They come from government indirectly because government has to set that confidence, that pace and that tone economically in the country for that to happen. That is exactly what this government is doing.

[*Translation*]

Mr. Pierre Brien (Témiscamingue, BQ): Madam Speaker, today we are discussing a motion by the Reform Party whose purpose is, basically, to make the government reduce its spending so as to improve the state of public finances. There is nothing wrong with the principle as such. The motion also wants the government to avoid raising taxes and to downsize government. The Bloc Quebecois certainly has no trouble accepting these three principles.

However, the position behind this motion is not necessarily one we can embrace. Our position on the economy is certainly not that of the Reform Party, certainly not the position of the right, which says that economic growth depends largely on what the wealthiest in our society contribute to the economy.

• (1315)

This is often the group they try to defend, either by proposing a single tax or other measures to avoid any form of progressive taxation or redistribution. There are certainly major differences in how the role of government is viewed with respect to redistribution of income. In any case, since it came to power, this government has done very little to improve public finances.

A few weeks from now, we will be told that by the end of the fiscal year, we will have a deficit of about 38 or 39 billion dollars, in addition to a debt of over $500 billion, accumulated during the past twenty years. This is hardly a reason to celebrate.

However, I know some members will celebrate, because the deficit will be one or two billion dollars less than the original forecast. However, whether the deficit is on target is irrelevant. We have to consider the facts.

The facts are that we will still have a very substantial deficit of 37 or 38 billion dollars, as I said earlier, and perhaps even 39 billion, if the government tries to include some of next year's

spending in this year's budget to reduce the pressure on the next fiscal year. We must get back to basics. Forget about objectives. What we want is results.

Since the government failed to make certain cuts last year, this has put a lot of pressure on Canadian interest rates. Since February, interest rates have gone up by about 300 base points. Everyone who has to borrow money is feeling the impact on the economy. The Minister of Finance likes to say that increases in the interest rate are like increases in income tax. If he believes what he says, why did he not do something earlier in the year, instead of adding this pressure to the interest rates?

Of course, our friends like to say that the state of the economy is a destabilizing factor. I, however, contend that the greatest destabilizing factor is the state of public finances. Foreign investors recognize this, and this is what they look at first.

There is also no vision for society. It is unfortunate to find that, after a year and a half in office, the present government is taking the same approach as its predecessor. According to this approach, cuts are the only way to improve public finances—a view shared by the Reform Party.

I can remember during the elections speeches about giving priority to jobs and trying to generate growth as ways to improve public finances. So much for those speeches. No vision of society has been put forward in an effort to find a way to revitalize the economy, to everyone's benefit.

You are aware that economic indicators measure growth with traditional indicators such as production levels. We must not forget, however, what we learned in the 1980s—that increased does not necessarily mean increased employment.

The two are linked, of course. If there is an increase in total production, or in the gross domestic product, the number of jobs will certainly increase also, but these two trends are separate. Production may increase significantly faster than the level of employment.

The gross domestic product is therefore not the only yardstick for the economy. We have to focus on the people who are increasingly excluded from society, the unemployed living on unemployment insurance or welfare or who have returned to school because they cannot find a job. Many people are waiting to enter the labour market. The present government has no vision, in this regard.

I would like to speak a bit about the approach which consists of saying that the deficit problem will be resolved by making cuts across the board. We agree that certain cuts can readily be made, for example in the government machine. Later on, I will return to the Bloc Quebecois' suggestions which we have repeated time and again.

We have a major difference of opinion with the Reform Party: in our opinion, some expenditures are tax expenditures. We must look beyond budget expenditures, transfers to individuals and to the provinces.

• (1320)

We should also look at whether they are tax expenditures, lost revenues. We could get into a real philosophical debate on this issue: Is it a tax hike? Is it a spending cut? It seems clear to us that it is a question of spending.

It has always been difficult to discuss the issue of tax expenditures in an effective way, even during the finance committee's hearings, because the figures are derived from data that is only partly revealed. Expenditures that the government plans to make are revealed, but no roll–up of these expenditures is ever given, even though that information is available.

Therefore, I want to talk about this right leaning philosophy that only wants to see across–the–board cuts, blind indiscriminate cuts, a philosophy that often ferments such ideas as a single tax rate, the same rate for everyone. It tempts even the people who would be affected the most. They say "use one tax rate". Currently, we use a progressive tax rate system; the higher the income, the higher the tax rate. Of course, the tax system, however, sometimes reverses trends, but that is another problem which can be looked at in a different way.

Therefore, the principle of redistribution, which is desirable in society, would be severely compromised under a system with one tax rate. I said to someone who was explaining the concept to me that I would give the matter more thought if that person could explain to me how income would be redistributed with just one tax rate for everyone. As long as the proposal cannot be linked with redistribution, how the state redistributes wealth, the concept will not get any support from me.

I would now like to return to what can be expected in the next budget and rumours on this subject. It is becoming clearer that the government will increase its revenues in the next budget. An increase in the surtax for individuals or in income tax rates, traditional taxes or certain consumption taxes is planned, or pension funds may even be hit. There is obviously a lot of money there, and the government is looking for revenue. It is much easier to get a quick revenue fix than to cut spending; it takes more courage to cut spending, especially when friends are among those affected. The Liberals have always had trouble cutting their friends's spending so this may be very difficult to do.

Now why does the government want to do that? Because of the two additional years, and the Conservatives and Liberals are equally at fault. For the past two years, there have been no major changes in budget policy, and we have just had two consecutive

deficits of $40 billion, record amounts in Canadian history. This is a country that is supposed to have the best quality of life in the world. This is the country they are trying to sell us, especially to Quebecers. Perhaps we should check the size of the mortgage.

My point is that this government has only itself to blame, because it failed to take action during the second year.

I will give an example of tax expenditures that were introduced and then withdrawn, to show the lack of vision and judgment we see so often in our tax system. That is why we favour a genuine review of the tax system, not a quick fix to please friends who contribute to the party coffers but something that will reflect our social values, our principles and our objectives. Look at the way the government treats capital gains, for instance.

What was the procedure in recent years? First, the government introduced the principle of allowing a $500,000 exemption; the first $500,000 of capital gains were not taxable. After a while, the exemption was reduced to $100,000. Once taxpayers in the highest bracket had taken advantage of this exemption—not everyone can declare a capital gain of $500,000—the government said: "Well, this is costing the government a pretty penny. We will reduce the exemption to $100,000", and so they did. Now that the others had managed to take advantage of this exemption, they said: "Well, this might be too costly for the government after all, so let us cut the exemption to zero", which they did.

If it does not make sense to treat capital gains differently today, why did they do it in the past? How much money did the government lose in the process? How much did it have to borrow to compensate? How much did it cost society? Now, they claim social programs are too expensive, that they are putting us into debt, and the government has all kinds of names for those people.

Actually, if we look at the operating budget, although it does show a deficit, it is practically negligible, which means that if we had not accumulated all this debt over the years, we would not be having this discussion today.

What caused these problems? Is it our social programs? I am not so sure.

• (1325)

This certainly requires some adjustment and a serious look. I come back to the approach advocating only cuts and not fiscal spending. What does this mean? Forty billion dollars spread among 20 million taxpayers. That means about $2,000 per person. We resolve the deficit problem by cutting $2,000 per individual, cuts in expenditures related to individuals.

Can everyone handle $2,000 in cuts? We here in this House can do it easily, with no problem. However, what about people on social assistance, single parent families and older people? Can they handle a $2,000 cut per person? Can they really? It is not a sure thing.

This is why we need to have another way of looking at the approach to public finances as well. There has to be a way to put a stop to the present inefficiencies and straighten out the job market with different and new ideas. We could use our imaginations, we could be creative. There is no end to technological innovation these days. When it comes to public finances, we are stuck for ideas. We want to copy other formulae and other approaches.

We hear more and more talk about New Zealand in Canada these days. People are trying to convince us that we will share the same fate. Why do we not try a different formula? Why not do things differently?

Over the next year, debate will be vigorous, because two visions of society are on a collision course, particularly in Quebec with the discussions on the referendum. I hope there are Canadians who also share a different vision from what we are hearing conveyed at present.

I would like to speak about reviewing the taxation system in connection with current statistics on income. Sixty per cent of people, 60 per cent of the population, have incomes of $25,000 or less. Returning to my earlier idea of cutting expenditures by $2,000, for people with a $25,000 income, that is going to hurt. We must target the cuts where the money is and where it will hurt much less.

Of course, I mentioned redistribution. Also, when we put forward budget policies, specific taxation policies, we must evaluate them before developing them, while they are being developed and after they have been developed. Given the veritable army of civil servants, this could be done and it would be a more productive use of their time. Perhaps cutting 45,000 employees would not be contemplated if this type of useful analysis were conducted. It is certainly possible to re–think the work of the public service in regards to such an approach.

I took part in prebudget consultations. I must say that I was rather disappointed. Earlier, I heard a Liberal member say that all departmental programs were undergoing a review. It is a shame that, in politics, we lack the courage to lay working hypotheses out on the table when people are being consulted. These public consultations were very difficult because the discussion became almost philosophical at one point. It was hard to say that there was nothing concrete, only partial information. It was difficult for people to judge, even for members of the committee.

If that review had been conducted a little quicker, put out on the table to be debated, but it was not, and the government does not want to be transparent, it wants to give itself as much leeway

as possible. It does not want to resolve the public finances issue effectively, publicly. Never. This will be done in the backrooms.

Therefore, in my opinion, the exercise will be relatively ineffective. Anyway, most of the report was written by the Department of Finance, which does not want to be affected by the recommendations, so it is making sure it has some leeway.

I would like to use the remaining three or four minutes to talk about the rumour going around regarding a form of flexible federalism which will be introduced in the next budget by decentralizing some powers. What a laugh. The Axworthy reforms were strongly contested and implementing his reforms is proving very difficult; the proposal is obviously lacking vision; people are not rallying around it, they are divided on the issue.

The government had to put these reforms on the back burner because of the referendum campaign But the underlying idea was to cut social program spending. How can this be done now, and in a more positive way? That must be the challenge that Cabinet is facing now, and a decision on the issue has probably already been reached, since the budget has to go to the printer any day now.

• (1330)

Therefore, it is probably already a done deal and the Minister of Finance is probably now in the process of announcing to his provincial counterparts how he intends to reduce the amount of money they receive, and trying to have them believe that he is telling them good news.

What the government is essentially trying to do is to regroup certain transfer payments. Education, health and Canada Assistance Plan transfer payments will be grouped together and added up. What the government will be doing is an addition of sorts. The government will add up the amounts and say to Quebec or another province: "This was what you received in the past, and now we will give it to you in one block payment. However, you will get a lot less, because we have to improve public finances. The rest is up to you. You must decide where to cut, make unpopular choices, tell students their tuition fees will go up. You will bear the responsibility». That is essentially the message they want to convey, while trying to pass it off as decentralized federalism.

Will they cut the workforce which administers these programs here? I doubt it. Will they abolish national standards if they stop contributing financially? If they no longer make a financial contribution, will they forget about national standards? On what logical basis would we maintain national standards, although we know full well that the Liberal Party has this vision of national standards, centralized here and equal across the country, a single country, a single nation in their opinion?

It would be very surprising for them to really decentralize, but they try to convince people that this is flexible federalism. I said yesterday, and I still think today, that this type of federalism is so flexible that we are broke.

In conclusion, I will say a word about transfer payments to the provinces. If I remember correctly, transfer payments to the provinces have been cut by $48 billion since 1982, including $12 billion for Quebec alone, but that did not improve the government's financial situation. So we must not fall into the trap of thinking that this will do much to improve government finances. First of all, it is shifting the burden to the provinces. This will be hard on several provinces whose credit ratings are substantially lower than that of the federal government. The federal government's financial situation is worse, except that it is easy for them to generate revenue by collecting more taxes, but in theory only because people would not stand for it in practice.

This did not put government finances on a healthier footing and it is not a good approach. We must also look at job creation, an issue on which the government is very silent. It lacks a vision. In summary, yes to selective cutbacks, first in the administrative machinery, at the Department of National Defence. We must also collect unpaid taxes. We can achieve a real reduction in overlap, which provides much more effective ways to create a better climate and improve the economic situation. However, I doubt very much that this is the approach contemplated by the government and that concerns me a great deal. In any case, people will have to make choices soon and we will see which vision of society they prefer, especially in Quebec.

Mr. Nick Discepola (Vaudreuil, Lib.): Madam Speaker, it was with considerable interest that I listened to and participated in the debate this morning. I listened closely to the speeches by the member for Saint–Hyacinthe—Bagot and my colleague from Témiscamingue, for whom I have a great deal of respect. I do not always agree with them and I would even say that I am almost in complete disagreement with their option, but I do agree with one point that both members raised this morning, in this House.

The member for Témiscamingue has just concluded with the remark that flexible federalism, or a flexible status quo, if I may so describe it, is the cause of the problem we are now facing daily in Canada. In this regard, I am in complete agreement with him. It is because of the debt load that has plagued the country for years now.

I also agree with another of their observations, which is that the debt load and particularly the deficit we have had for a number of years are not the result of social programs.

• (1335)

There are two factors, first of all the debt load, which is very high, and the political uncertainty, which has resulted in an incredible jump in interest rates.

As the member has already pointed out, since the report was tabled in December there has been an increase of 300 base points, or 3 per cent. I would remind this House that an increase of 1 per cent represents an additional burden of 1.7 billion dollars. This is why, with the budget soon to be tabled, we are 12 to 14 billion dollars short of our objective to reduce the deficit to 3 per cent of the gross domestic product.

I would like to put a question to my honourable colleague, who said that our problem is one of the main reasons why their future is brighter in an independent Quebec. I cannot believe that an independent Quebec will be in a better position to offer the services that taxpayers now receive.

Take the debt, for example. It is a very good example. The member for Saint–Hyacinthe told us himself this morning that he was prepared to absorb 25 per cent of the debt. Some economists say that this additional burden would drive the debt of an independent Quebec up to 215 billion dollars. That would be 123 per cent of its gross domestic product. There is no way that an independent Quebec can offer the same services that taxpayers are receiving today.

Could the member explain, for the benefit of all those who will soon have to make a decision, how he expects to offer the same services in an independent Quebec without extensive cuts, when the debt burden is so heavy and there is the risk of a premium on interest rates that would add to the load?

Mr. Brien: Madam Speaker, I will be pleased to answer my colleague who, I hope, will be living in that Quebec with us too. By then, I also hope we will be able to convince him because he seems to show a certain interest in that new Quebec.

First of all, I would like to make a few corrections in what he said about the causes of economic uncertainty. As a primary factor, and I hope this is an error, he cited the political situation as a cause of instability over the last year. May I remind him that the greatest instability in interest rates, when they increased the most, in April and May, that was in reaction to the federal budget when the stock markets recognized that public finance had no means to correct the situation. If he has stock market investments, he will be able to check as stock market performance and interest rates are very often at variance.

The federal budget and overall indebtedness are the first factor. Even if some people mention the uncertainty associated with a sovereign Quebec, this is not because of the political regime or because they have concerns about public finances in a sovereign Quebec in view of the present high Canadian deficit.

They themselves implicitly admit that it is the size of the Canadian deficit which causes uncertainty. This has nothing to do with politics. A sovereign Quebec with viable public finances would be of no concern whatsoever to financial markets.

He also stated that a sovereign Quebec would be responsible for 25 per cent of the debt and that my colleague had mentioned that this morning. He probably remembered part of what my colleague said. The latter probably said that this is what the Liberal and federalists would want. If I may give an example, the Bélanger–Campeau commission which examined this subject indicated that we de not share only one side of the balance sheet, we share the assets and the debt, both sides.

• (1340)

When we add this all up and look at it from an assets standpoint, we arrive at a figure of 18.5 per cent. Since we are contributing 23 per cent of federal government revenues, and taking on 18.5 per cent of the debt, this means a significant gain on top of savings in overlap. There will no longer be two departments of revenue, two departments of the environment, two departments of whatever. I could go on a long time. This will eliminate problems for business, which has to meet the different environmental standards of Ottawa and Quebec City, complete tonnes of forms, GST reports, QST reports. Our business people will use this time to concentrate on what they do best: improve the economy. This will be good for Quebec and good for Canada. I hope Canada's economy will be as strong as it can be, because Canada will be our principal trading partner.

I have no concerns about the viability of a sovereign Quebec. I am perhaps a bit more concerned, sincerely, about the viability of a Canada without Quebec, since it will have to redefine itself, and the process has not yet begun. It will be hard to adjust quickly.

Things are happening in Quebec. A lot of people are taking part in the regional commissions. They are expressing their ideas. They are describing their vision of Quebec in the future. And as I said, it is completely different from what I hear people talking about here. There, they are talking about equity, redistribution and social justice. Here, people are talking about reforms to social programs that involve cuts affecting the disadvantaged in order to improve public finances.

There are other ways to improve public finances, and I think the approach of a sovereign Quebec will show the way, and we can become an international example on how to turn public finances around and achieve sovereignty democratically. Quebec knowledge and know–how will become an international export.

[*English*]

Mr. Leon E. Benoit (Vegreville, Ref.): Madam Speaker, I cannot believe what I am hearing here today from this member

of the Bloc. I think it is time he became accountable to this House, to the people in his constituency and to the people across the country because he is not being accountable.

This member has said that spending on social programs has not played a part and has not been the reason that we have a deficit in this country. I would like him to answer some very direct questions.

Total federal spending was about $163 billion last year. About $40 billion of that was interest payments on the debt. You are not going to make interest payments on the debt? About $80 billion was in the area of social program spending. About $43 billion was for all other government spending, including the cost of government, defence, Indian affairs and so.

Reform put out a detailed plan to cut $10 billion from that $43 billion and presented it to the finance minister and to the finance committee. I never heard members of the Bloc saying that they would cut more from that area. They complained they would not make the cuts that Reform has proposed to make out of that area. That means the Bloc is prepared to cut more out of this $80 billion in social program spending because there is no other place to make the cuts. That is reality.

I would like this member to start talking about reality. I want to ask him directly how he would propose to balance the budget using some fact without making cuts in the area of social program spending. I would like him to answer this in a way that will be believable to the people in his constituency and across the country.

[*Translation*]

The Acting Speaker (Mrs. Maheu): You have barely 30 seconds left.

Mr. Brien: I will be quick, Madam Speaker, and will ask my colleague to reread my speech, which he probably did not understand, because it was in French. Let him reread its translation.

I can see why someone who can only envision resolving the public finances issue through social spending cuts would be frustrated to see other people find other ways of resolving it. They know very well how hard a time they are having with it. Their ideas are not being accepted in Quebec and that probably frustrates them all the more.

It would be my pleasure to send him a copy of the finance committee's report, which contains the Bloc Quebecois' proposed solution to the public finances problem. I will tell him once again that it was certainly not the most needy who got us into our current debt situation. That is certainly not the case. Look at the past to see the reasons for the current debt level.

[*English*]

Hon. Roger Simmons (Burin—St. George's, Lib.): Madam Speaker—

• (1345)

The Acting Speaker (Mrs. Maheu): I am sorry to interrupt. May I ask the hon. whether you are taking 20 minutes or splitting your time?

Mr. Simmons: The former. I intend to take most of the time allotted because it is an issue raised by my good friend from Capilano—Howe Sound, a gentleman who brings great credentials to the House and to the debate. However, he ought to use more of those credentials in formulating his motion but I will come to that a little later because the effort allowing us to debate this issue is applauded. For that I applaud my friend from Capilano—Howe Sound.

I am pleased to have the opportunity to participate in the debate because the motion does have its merits. I am confident that the merits of the motion will be addressed in the budget which is upcoming.

Unfortunately, however, I have to say to him that the motion is also a bit tainted in several areas by a bit of simplistic thinking. I would have expected something different from him. It is tainted by a search for panaceas that if we do this and this, all of our problems will go away. I do not think he believes that.

Let me emphasize that the government knows full well that Canadians believe taxes are already too high. We agree with them on that. We would get a certain impression if we saw some people trying to start a tax revolt or in Mackenzie King's famous statement: "There go my troops. I must rush out to lead them". I am not sure which it is, whether they want to start the revolt, join the revolt or what. It is either naive or treacherous as the case may be but you decide, Madam Speaker.

Our priority objectives as a government are to stimulate economic growth while putting in place some real fiscal discipline. It is this double barrelled thrust that will ultimately allow us to reduce taxes in the years to come.

Let us remember that the tax and deficit relationship is a two way street. Every dollar of deficit borrowing we accept today will lead to higher taxes tomorrow. Every dollar we can trim from the deficit is a step on the road to keeping the tax burden down.

That is why the government's 1994 budget was in many ways a tax reform and a tax reduction budget. It included measures to eliminate loopholes and to increase tax system fairness and equity. It also committed to direct action to bring down unemployment insurance premiums, a payroll tax that acts as a real barrier to new job creation.

It was also a tax reduction budget because of the firm commitment made by the Minister of Finance to cut the deficit to 3 per cent of the economy in three years. Again, let me make this central point. Fiscal discipline is the key to long term tax

reduction in two ways. Obviously the less we have to borrow, the less we have to tax to repay the loan and its interest.

There is another important dimension to this process. Controlling government's appetite for debt is our fundamental tool for getting interest rates back down. Lower interest rates mean lower carrying costs on our $500 billion debt. Again that means fewer tax dollars that we need to spend.

I understand the tax fatigue that so many Canadians feel. I can appreciate that some may be cynical about the possibility of measures that add to tax revenues today in order to let us cut taxes in future.

That is why the 1994 budget undertook a program of net spending reduction over three years that is the most significant of any budget in a decade. Over 80 per cent of the net fiscal improvement delivered by the 1994 budget over three years came from spending cuts.

In other words, there was $5 in spending cuts for every dollar of new revenue increase. Obviously I am not in a position to talk about the measures that will be set out in the forthcoming budget, but the Minister of Finance has already made it clear that he will rely overwhelmingly on spending cuts to achieve his fiscal targets.

● (1350)

Lower taxes are important and this government is committed to working toward that. In the process we cannot ignore the facts. The views expressed by the opposition on the issue of taxation appear to be partly driven by a belief that Canadians bear one of the highest tax burdens in the world, but there is more political grandstanding than truth in that particular perception.

The Canadian tax foundation, a highly respected non–profit, non–partisan research organization, has recently made this clear. Among the 24 members of the OECD, an organization that includes most of the world's advanced industrial economies, Canada ranks 14th in total tax burden. That represents 36.5 per cent of our gross domestic product compared with the OECD average of 38.8 per cent.

I say to my friend from Wild Rose, if he heard the first part of my speech, yes it is a matter of concern. If the hon. member is going to vent his concern based on facts rather than fantasies he should first get at the facts. Among the 24 countries we are 14th in total tax burden.

Mr. Abbott: Who do we compete with? The U.S. is 29 per cent.

Mr. Simmons: Madam Speaker, they have to be given an opportunity to vent in a way they never can in caucus. We might as well let them do it here.

I would never dare be smug about Canada's tax burden. It should be clear by now that I am not endorsing high taxes. We have to face reality squarely which I believe supporters of this motion are failing to do.

When they make comparisons of Canada's tax burden it is typically vis–à–vis the United States. As much as I want lower taxes I have to point out that there are some flaws in that particular comparison with the United States. Contrary to what some hon. members would have us believe, lower taxes in the U.S. do not come without a cost, a financial cost and a human cost.

Take the example of medicare. Medical insurance represents a very substantial cost for millions of Americans and their employers. For the tens of millions without insurance a serious illness can spell personal and financial ruin. If members want to make the comparison between Canadians and Americans, what they ought to do in fairness is either when they are making comparisons deduct the taxes in respect of which we pay for medicare or alternately when they look at the American tax total add in the medical care costs which are hidden in the sense that they are not tax dollars, they are funded elsewhere but represent a cost on the pocket nevertheless.

They are comparing apples and oranges. Either compare the American and Canadian system with medicare written in or with medicare written out. They will find that they do not have such a tax holiday as my good friend would like to suggest.

The point I am making is twofold. First, we have to avoid making comparisons that are simplistic and specious and I would go so far as to say dishonest because they compare apples and oranges. Second, we have to realize that while the opposition's position on taxes sounds a lot like a call for motherhood, it is about a lot more than taxes. It is about the kind of government, the kind of society that we want in Canada.

I can tell the House how to reduce taxes, bring them way down. Sock it to all the poor people, sock it to all the disadvantaged, do away with our medicare system and so on. There is a way to get ever lower taxes. Low taxation, small government versus big government are not objectives in themselves. None of these is an objective in itself. What they do for society ought to be the objective, what they accomplish.

If we are going to go to the extreme of having small government for the sake of small government, I can tell the House how we can make it really small. Let us have no government at all, none.

I take it you have all written in to forfeit your pensions.

• (1355)

The Minister of Finance has said very clearly that government cannot and should not do everything. We too want—

An hon. member: He does not do anything.

An hon. member: They do nothing except spend money.

Mr. Simmons: Can I get that in writing? He says the government does not do anything. He could have fooled me when I heard his leader yesterday in the House of Commons. I thought he was saying we are doing all kinds of terrible things. Get together, guys. I do not want a fight, especially on Valentine's Day. Let us not have a fight among the kissing cousins in the same caucus. He says we do nothing and the other member says we do a lot. Which is it?

Mr. Abbott: A lot of nothing.

Mr. Simmons: The hon. member needs a new writer.

The government was elected to bring the people of Canada leaner, smarter and more efficient government. Even my friend from Elk Island believes that. We were not mandated to wholly eviscerate government.

Mr. White (Fraser Valley West): What does that mean?

Mr. Simmons: As soon as I find out, I will let the member know.

We were not elected to eviscerate, to cut out the you know what of government without regard to the important job it must and can fulfil both today and in the longer term.

The difficulty if we operate from the premise that we do not need a government, as this crowd obviously does, is we have difficulty seeing the wisdom in anything the government does. I happen to believe we need some government.

Mr. Abbott: Some.

Mr. Simmons: Yes, some government and some good government. I say to my friend that we not only have some government, we have good government. The program review we are undertaking is one of the ways in which the government is bringing about smaller, efficient, effective government.

In the last budget the government launched a review of each and every program. Departments were asked to justify programs and activities on the basis of several tests.

The Speaker: It being 2 p.m., pursuant to Standing Order 30(5), the House will now proceed to Statements by Members, pursuant to Standing Order 31.

S. O. 31

STATEMENTS BY MEMBERS

[*English*]

TOUGHLOVE

Mr. Geoff Regan (Halifax West, Lib.): Mr. Speaker, today in my riding of Halifax West many volunteers are out doing fundraising efforts for TOUGHLOVE Canada, a non–profit organization that counsels families in the use of non–violent discipline to resolve behavioural problems with troubled teenagers.

Many doctors, psychiatrists, psychologists, parents, teachers and police in my riding have attested to the success of this program in dealing with these troubled teenagers. They have used these methods to change the behaviour of these troubled teenagers and create happier, healthier families.

Halifax West is the home of the national headquarters of TOUGHLOVE Canada. I want to wish these volunteers well in their worthwhile efforts.

* * *

[*Translation*]

MEMBER FOR SAINT–HENRI—WESTMOUNT

Mr. Jean–Paul Marchand (Québec–Est, BQ): "What a victory", Mr. Speaker. "What a victory!" These were the words of Lucienne Robillard, a former minister in the Bourassa government, on being elected as member for Saint–Henri—Westmount in a by–election in which only 30 per cent of registered voters turned out. What a victory indeed.

It reflects little glory on Mrs. Robillard, who systematically refused to take part in any debate during the campaign. For her, the by–election was a mere formality, somewhat like being appointed to the Senate by the Prime Minister. Let us hope she knows which door is which when she comes to Ottawa.

She will have to explain statements she made earlier as the Quebec minister for health and education, when she fought against federal interference in these sectors. Does she no longer stand by these statements, which are at odds with the present federal government's approach to social program reform?

* * *

[*English*]

DEPOSIT INSURANCE

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, I monitored the work of the Senate committee which studied deposit insurance in the collapse of Confederation Life.

In commenting on the white paper tabled on February 9 by the Secretary of State for International Financial Institutions, I

believe the secretary of state missed a great opportunity by not recommending some minor form of co–insurance in relation to deposit insurance.

It is vital that discipline be brought to Canada's financial institutions, but discipline must start with the consumer. If the minister had seized this opportunity, then discipline would begin with the consumer and flow through to the institution itself.

In relation to the changes suggested for life insurance companies I hope those who comment on this paper will ask this fundamental question: If the changes suggested were in place in 1990 would Confederation Life have gone bankrupt? It is against this question that the success or failure of these recommendations must be measured.

* * *

CANADIAN FLAG

Mr. John Murphy (Annapolis Valley—Hants, Lib.): Mr. Speaker, tomorrow, February 15, represents the 30th anniversary of Canada's national flag. It is with a great sense of pride that I rise to pay tribute to this momentous day.

Since its inception in 1965 the red maple leaf has become a familiar sight both here and around the world. Whether emblazoned on the shoulders of our peacekeepers, proudly represented by our athletes, or worn by our children, Canada's flag is the defining symbol for the spirit of our people. It has come to represent a united, proud and confident nation. For people all over the world the maple leaf is regarded as a symbol of peace and compassion. It represents tolerance and hope.

On this special anniversary I urge all members of Parliament and in particular our friends in the Bloc Quebecois to reflect on what it means to be a Canadian.

* * *

THE ECONOMY

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.): Mr. Speaker, salaries as high as $250,000 for a university professor or $400,000 for a hospital president are reported in an article in the Sunday Toronto *Star*.

Taxpayers are also footing the bill for subsidized housing, company cars and undisclosed travel and expense accounts, all without the scrutiny of public accounting.

This situation must change. As the federal government provides a large proportion of funds to the provinces for secondary education and health care, we must ensure that accountability is made a matter of public knowledge.

YOUTH

Mr. Sarkis Assadourian (Don Valley North, Lib.): Mr. Speaker, I would like to congratulate Mr. Jim Coombs, who is a member of my riding of Don Valley North, and the board of directors of Eva's Place, North York's first emergency shelter for youth.

It is most encouraging that Canadians understand and appreciate the role which young people play in our society.

The government has been addressing the needs of young Canadians, those often referred to as generation *x*. In September 1993 there were about 420,000 unemployed young people in Canada. Since the government took office the number of unemployed youth has been reduced by 60,000. The government is committed to creating more jobs for youth and bringing more youth back into the economy.

We must ensure that our young people have the best possible opportunities to lead productive and self–sufficient lives because they are the future of our country.

Eva's Place is a positive step toward addressing the needs and concerns of homeless, abused and often alienated youth. Once again I applaud the board of directors and urge the government to take notice of their achievements.

* * *

[*Translation*]

RIDING OF BROME—MISSISQUOI

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, yesterday the voters of Brome—Missisquoi exercised their democratic right. For Bloc Quebecois militants, the result is much less disappointing than our political adversaries would like to think. Let it not be forgotten that in the vote on the Charlottetown accord, Brome—Missisquoi was one of the few ridings to vote in favour.

Yesterday the Bloc took 44.5 per cent of the vote, an increase of almost 4 per cent since the general election in October 1993.

The Bloc and its sovereignist option have gained in popularity. In the riding of Brome—Missisquoi, the real loser was the leader of the Conservative Party, with only 3 per cent of the vote.

* * *

• (1405)

[*English*]

PETRO–CANADA

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, I want Canadians to know that Petro–Canada has altered the lives

of seven–year old Laura Curtis and her parents forever, through an environmental disaster in Fredericton, New Brunswick.

I want Canadians to know that Petro–Canada has wrongly altered the lives of Roger and Marlene Chapates forever through a similar environmental disaster in Jedore, Nova Scotia.

I want Canadians to know that Petro–Canada is abusing its power with many dealers, including Tom Daly of Saint John, New Brunswick and Barry Deacon of Kamloops, British Columbia.

I want Canadians to know that the Liberals are aware of these very serious problems but do nothing.

Most importantly, I want Petro–Canada to know that we want a judicial inquiry into its operations. After the next election our government will hold no shares in this company which states it is committed to Canadians.

* * *

LAND CLAIMS AGREEMENT

Hon. Audrey McLaughlin (Yukon, NDP): Mr. Speaker, on February 14, 1973, the late Elijah Harper came to Ottawa to present the first Yukon land claims agreement.

I am pleased that 22 years later, through the efforts of many aboriginal people from the Yukon, from successive governments of different political parties, today we see the proclamation of the Yukon land claims self–government and surface rights legislation.

This is an historic day for all Yukoners. They will benefit from the stability that it gives to our territory and from the respect and dignity it gives First Nations within our territory. Also it has implications for the rest of Canada and for the unity debate that we are once again entering into.

With the Yukon land claims proclamation we see that we can respect other cultures, languages, historical traditions and governments and do it under the flag of Canada.

* * *

[*Translation*]

ANNIVERSARY OF THE CANADIAN FLAG

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Mr. Speaker, tomorrow is the 30th anniversary of the Canadian flag, a flag which commands respect around the world for what it represents: a wealthy and tolerant country that is open to others.

[*English*]

By celebrating the 30th anniversary we acknowledge the richness of our country and of its people. We recognize what we have been as a country, what we are today as a nation and what we can become by working together to improve the quality of life of all citizens, particularly those who have less.

Tomorrow Canadians everywhere from coast to coast to coast will raise their flag with immense pride.

* * *

CYPRUS

Mrs. Eleni Bakopanos (Saint–Denis, Lib.): Mr. Speaker, during the recess I and other parliamentarians had the opportunity to visit the Republic of Cyprus as members of the Canada–Cyprus Parliamentary Committee.

For years I had read and spoken about the Cyprus issue. However, I could never have imagined feeling the way I did that day as I looked on to the ghost town of Famagusta, occupied by Turkish troops since the invasion of the island in 1974, more than 20 years ago.

To this day there are still 1,619 missing persons, 200,000 displaced people. Religious and archaeological sites continue to be desecrated.

[*Translation*]

As members of Parliament in a country that has always defended human rights, we have a duty to rise against any violation of these rights. Furthermore, Canada must make every effort to convince our southern neighbours and the international community that it is important to find a fair and viable solution to the Cyprus problem.

[*English*]

It is my hope that I can return to Cyprus one day and see a reunited Cyprus and visit Famagusta and Kirinia, admire the view from the Pendahtila mountains and taste the fresh oranges from the orange groves of Morphou.

* * *

[*Translation*]

MEMBER FOR OTTAWA—VANIER

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, it gives me great pleasure as president of the Liberal caucus of Eastern Ontario to welcome our new colleague, the hon. member for Ottawa—Vanier. Even though he has not yet been sworn in as a member of Parliament, Mr. Bélanger attended our caucus meeting at 7.45 this morning.

[*English*]

Our new colleague brings a great deal of valuable business and political experience to Parliament. He has worked on the Hill. He knows Ottawa and the national capital region well.

It must be rare for a new MP to attend an official meeting before breakfast on the morning after a tough election campaign.

• (1410)

Mr. Bélanger's willingness to serve augers well for the future of this House. The positive results of all last evening's byelections auger well for the future of Canada.

Bienvenue and welcome to the new member for Ottawa—Vanier, Mauril Bélanger.

* * *

[*Translation*]

ARTS AND CULTURE

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, today, many representatives of national cultural institutions and arts organizations are participating in a cultural sector summit to discuss the future of the artistic community.

In the meantime, the federal government seeks to help spread Canadian culture through its foreign policy. How can it make such a claim when, at the national level, it is slashing the arts and culture budgets, in particular at Telefilm and the CBC?

This government even has the nerve to undertake phoney, improvised and botched consultations through the Canada Council to ask artists where it should make further cuts.

The heritage minister's complicity speaks volumes about this government's respect for culture and the artistic community.

* * *

[*English*]

INCOME TAX

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, I had the privilege of attending and speaking at a tax rally alert last night in St. Catharines sponsored by the Canadian Taxpayers Federation.

The event drew an overflow crowd of some 800 concerned taxpayers with a strong message for the finance minister: "No new or increased taxes". Several of those in attendance spoke about where they felt spending cuts could be made and how important it was for the government to understand it has a spending problem and not a revenue problem.

As a result of this addiction to tax and spend, our debt clock this morning was $549,892,000,000.

The crowd's reaction to the reported comment of the revenue minister that the government will not be influenced by protests was one of the loudest of the rally, second only to a demand for cuts, not scrapes, to our MP pension plan.

You choose to ignore the people we work for at your peril. No longer are Canadians prepared to roll over and take it from politicians who are not listening.

[*Translation*]

SAINT–HENRI—WESTMOUNT AND BROME—MISSISQUOI

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Mr. Speaker, I am extremely proud and happy today to draw attention to the fine victories achieved by Lucienne Robillard in Saint–Henri—Westmount and by Denis Paradis in the by–election in Brome—Missisquoi last night.

In addition to underscoring the hard work by the members of his team, Mr. Paradis' victory is a strong warning to separatist forces. It is also a good indicator of the mood of the people of Quebec in this period before the referendum, whatever one might say. Quebecers will not be fooled by separatist rhetoric. They are well aware of the issues in this debate. The many still unanswered questions about an independent Quebec in year one contributed as well to this victory by the Liberal Party.

This message the people of the ridings of Brome—Missisquoi and Saint–Henri—Westmount have given to the separatist forces should encourage the Quebec minister of finance to present his famous year one budget. Quebecers will then have an opportunity to see the hidden face of independence for the first time.

Mr. Speaker, the third period is well underway, and Canadians are in the lead.

* * *

[*English*]

LAND CLAIMS AGREEMENT

Mr. Raymond Bonin (Nickel Belt, Lib.): Mr. Speaker, this is an historic day for all residents of the Yukon, indeed for all Canadians. Today the Yukon Land Claims, Self–Government and Surface Rights Board Acts come into effect marking the culmination of a process that began exactly 22 years ago.

For Yukon First Nations this means a secure land and financial base, and greater control over their own affairs. For the Yukon territory as a whole this opens an era of greater stability and opportunity.

Today aboriginal and non–aboriginal Yukoners alike stand in partnership to celebrate this long awaited achievement. I am certain that hon. members will join me in extending congratulations to all residents of the Yukon on this historic day.

* * *

BYELECTIONS

Mr. Grant Hill (Macleod, Ref.):

We watched with great interest three byelections here;
Showing to Canadians that Liberals have naught to fear.
The seats were all so safe no one else need apply,
The rest should just watch hockey
No sense to even try.
Ha! we've got them on their haunches,
We'll drop the writ when no one's here,

Even if they wanted,
No votes for them, I fear. But when it comes to safe seats,
The Liberals should not feel too warm.
For Kevin Gaudet with his worthy team
Gave a glimpse of the Reform swarm.

Mr. Chrétien (Saint–Maurice): Resign and we'll have a byelection.

ORAL QUESTION PERIOD

• (1415)

[*Translation*]

NATIONAL DEFENCE

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, obviously to give the impression that he is always in control of his department, the minister of defence has called for the suspension of Major–General Brian Vernon, thereby throwing him to the wolves, using him as a scapegoat to calm public opinion. But Major–General Vernon should not bear the sole burden of responsibility for the incidents in Petawawa.

Does the minister of defence intend to suspend or relieve of their duties all officers in charge of the Airborne Regiment who took part in incidents violating army regulations or officers who failed to intervene to put a stop to such activities?

[*English*]

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the hon. member does not obviously listen to answers that I have given before.

The removal of General Vernon was a decision taken by the chief of the defence staff. It is his and his alone. It is a decision in which I concurred.

[*Translation*]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, whereas I am accused of not listening to the answers, the minister does not listen to the questions; that is not what I asked.

Can the minister of defence—and I hope he will understand my second question better—confirm that the government will soon award the Order of Military Merit to Lieutenant–Colonel Kenward, the very person who was supposed to have cleaned up the Second Airborne Regiment of Petawawa and who was commander–in–chief at the time of the incidents recorded on the third video–cassette? Does he still intend to award the Order of Military Merit to this lieutenant–colonel?

[*English*]

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, that particular decoration was decided a number of months ago by a panel in the military following normal practices and will go ahead as planned.

[*Translation*]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, does the Prime Minister consider it normal that his minister of defence still intends to decorate Lieutenant–Colonel Kenward, the former commanding officer of the Second Airborne Regiment, and in fact to do so even before the start of the inquiry which is supposed to get to the bottom of the events in Petawawa? Does he consider that normal?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the minister of defence just gave a very clear explanation. If I heard him right, his peers decided to award that individual the decoration. That will not prevent the committee from asking him the appropriate questions when he comes before the commission.

Mr. Jean–Marc Jacob (Charlesbourg, BQ): Mr. Speaker, my question is for the minister of defence.

The latest information revealed regarding the Petawawa incidents shows that the minister of defence does not know what is going on in his department. Incidentally, we have been waiting, since last fall, for a reply from the minister regarding the use of an Airbus A–310 by generals who went to Florida to go play a game of golf during Operation William Tell.

Will the minister of defence tell us whether he knows anything about the Canadian army's Eagle River exercise?

[*English*]

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, this is the kind of question, as you have advised members before, that should be reflected in an Order Paper approach rather than in question period.

• (1420)

[*Translation*]

Mr. Jean–Marc Jacob (Charlesbourg, BQ): Mr. Speaker, once again, I will have to tell the minister what is going on in his department. How can the minister of defence, in this time of fiscal restraint, not realize that the Eagle River exercise was a sham, designed to hide a sumptuous fishing trip to Labrador for senior officers of the Canadian army, at a cost of over $1.6 million for taxpayers in 1993?

[*English*]

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, certainly as far as I am concerned this is the type of question that should be for the Order Paper. When it is put down we will give all the details and costs of any particular program.

I remember some facility in Labrador was closed a couple of years ago. It had the name eagle in it. Perhaps this is the one. Certainly I will take notice of the question and get back to the hon. member.

* * *

THE BUDGET

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, today the provincial finance ministers are meeting with the federal finance minister to discuss the federal budget.

At least half the provincial finance ministers are doing a better job at balancing their budgets than the federal government. One of their greatest concerns is that the federal government will simply offload its own debt problem on the backs of the provinces, particularly those that have managed their finances efficiently.

My question is for the Prime Minister. What assurances could he give to fiscally responsible provinces that their reward is not simply going to be an offloading of the federal debt?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I just want to tell the member that he should wait to see the budget. We have set some extremely clear goals and we will meet them all.

[*Translation*]

Since I have the floor, I would like to applaud everyone who voted in the by–elections yesterday and all of the candidates from all parties who ran. In particular, I would like to congratulate the three Liberals who won.

[*English*]

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, yesterday Liberal Premier Clyde Wells of Newfoundland said that the best thing the federal government could do would be to stop direct spending in such areas as education, health and forestry. He argued that all these services could be better provided at less cost by the levels of government closest to the public.

Will the Prime Minister follow the Newfoundland premier's advice and give the provinces real control over these areas including appropriate tax points? In other words, will he make clear his government's philosophy on decentralization including the transfer of tax points to the provinces?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I do not know how the hon. member's arithmetic works. If we do not spend and we give tax points, the deficit remains at exactly the same level. If we are not collecting and we are not paying, it is exactly the same. You should have checked that before asking the question.

The Speaker: I remind all hon. members to address the Chair.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the Prime Minister's replies are hardly inspiring confidence. The provincial premiers have joined thousands of Canadians in saying no to tax increases, no to new taxes, and no to tax grabs in the name of tax equity.

As provinces like Alberta, New Brunswick and Saskatchewan reduce their deficits their citizens are looking for tax relief. The last thing they need to see is a tax grab by a fiscally irresponsible federal government.

What assurances could the Prime Minister give to the citizens of those provinces that their reward for practising fiscal responsibility is not going to be a tax grab by a fiscally irresponsible federal government?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I said the Minister of Finance would bring in a budget very soon. It will be a very responsible budget.

• (1425)

When we talk with the provinces they know that the federal government has to do what is needed to control its deficit. They will benefit if we control our deficit because the Canadian bond rating will be better for everybody. They have an interest just like us that we do very well in the next budget.

Everybody knows that 3 per cent of the GDP for the deficit is a very reasonable level. I had a discussion yesterday with the chancellor of Austria who has exactly the same goal as we have in Canada.

* * *

[*Translation*]

TRANSFER PAYMENTS

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot, BQ): Mr. Speaker, today, two weeks before budget day, the Minister of Finance is meeting his provincial counterparts. They will probably discuss further reductions in transfer payments to the provinces for social programs financing.

If I understood correctly what the Prime Minister said to the leader of the Reform Party just now, the government is really determined to offload its debt problems on the backs of the provinces, since he just told the leader of the Reform Party that a transfer of responsibility for post–secondary education, health and social assistance would not entail a concomitant transfer of tax points to the provinces. That is what we understood from the Prime Minister's reply.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, if the provinces asks us to stop paying, we will be glad to oblige.

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot, BQ): Mr. Speaker, I certainly did not expect an answer like that to a serious question, but I will control myself for your sake.

Can the Prime Minister promise, and this is a serious matter, that the measures in the upcoming budget will not constitute an outright offloading of the government's responsibilities on the backs of the provinces? This is walking away from responsibility. It is not decentralization.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, every day, the hon. member rises in the House to ask us to cut spending. If we cut spending, we cut. If he tells us to cut spending and transfer the money, we are back to square one. We are going to cut a lot of spending and we are going to try to achieve our objectives, and we will. We will do what it takes.

Discussions are being held with the provinces. We will try to reach an agreement the best way we can. Yesterday, Premier Wells said: stop sending us money for our forests. I am not going to argue with Mr. Wells. If he does not want money for his forests, we will not send him any.

* * *

[*English*]

GUN CONTROL

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, under the justice minister's gun control legislation tabled earlier today hundreds of thousands of firearms legally acquired by law–abiding citizens will now be effectively confiscated.

How does the minister justify his government's confiscation of private property?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the hon. member's question is fundamentally flawed. There is nothing in the bill that confiscates firearms.

The bill is intended to enhance criminal sanctions, to crack down on the criminal misuse of guns and to achieve the sort of control any reasonable society wants to ensure public safety.

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, I contend that the justice minister's plan is fundamentally flawed. Under his plan these individuals will only be allowed to transfer their guns to the crown, to the police or to a few authorized businesses that are licensed to acquire prohibited firearms.

Could the justice minister tell the thousands of responsible gun owners who now own these guns if they are going to get a fair price, considering he has drastically reduced the market?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, in the first instance I am proud to say that the government has introduced today legislation that will be easily accepted by the vast majority of Canadians.

May I observe as well that the centre point of the plan that involves registration of all firearms has recently been reported to have the support of two out of three Albertans among others.

Last, may I draw the hon. member's attention to the bill we tabled today that makes clear those who own and possess prohibited firearms may continue to buy and sell among their own class so that their investment in those firearms is preserved.

* * *

• (1430)

[*Translation*]

GUN CONTROL

Mrs. Pierrette Venne (Saint–Hubert, BQ): Mr. Speaker, my question is for the Minister of Justice.

In her report on her investigation of firearms, coroner Anne–Marie David recommends to the Minister of Justice that shipments of arms stored and transported by importers be covered by specific legislation.

In view of the fact that, in Quebec alone, 1,502 imported revolvers and pistols were reported stolen in 1992 and 1993, how can the Minister of Justice claim to be tabling a bill that responds to needs, when he ignored the recommendation of coroner Anne–Marie David?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I am disappointed in the hon. member's attitude toward this bill. On November 30, when we tabled our program, she found fault with it because we had no bill. Now that we have a bill, the hon. member is still not offering any constructive criticism. The hon. member knows full well that most Canadians, and Quebecers in particular, support these proposals.

[*English*]

I would suggest that if the hon. member has suggestions to make in committee to improve the bill that she do so, but that she stand today in this House with the majority of Canadians in favour of this bill instead of making individual criticisms when overall it meets the safety needs of Canadians.

[*Translation*]

Mrs. Pierrette Venne (Saint–Hubert, BQ): Mr. Speaker, given the official opposition's criticism when his plan of action was unveiled in December, does the Minister of Justice still plan to allow the owners of the 13,000 automatic weapons registered in Canada, including 4,000 AK–47s, to keep them legally for the rest of their lives?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, according to the bill that was tabled today, all such paramilitary weapons will be prohibited.

They will be out of circulation at the end of the lives of those who now own them.

In the meantime, so that we do not "confiscate", to use the word of the hon. member from another province, they will be permitted to trade them, buy them and sell them among members of that same class. However, at the end of the day, in keeping with the policies and principles of the bill, those firearms will be out of circulation.

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, my question is for the Minister of Justice.

On December 1, 1994 one of my colleagues who was concerned about the detrimental effect the ban of .32 and .22 calibre handguns would have on the world cup shooting competitors who have trained at great expense and proudly represented this country, asked the minister this question: "Will the minister make a commitment to remove the .32 calibre handgun from this list of banned firearms?" The minister's response: "I most certainly will not". I ask the minister, what made him change his mind?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the .32 calibre handguns along with .25 calibre handguns will be prohibited by this legislation.

What we have made clear is that the unique firearm, used for example by Linda Thom in earning a gold medal at the 1984 Olympics, which is a .32–.22 interchangeable barrel Walther handgun, will be permitted.

Today we made clear that as we refer this bill to committee after second reading in this House, we are asking the committee to identify other handguns that are used in competitions sanctioned by the International Shooting Union so that legitimate competitions can continue.

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, I might advise the minister that the Liberal Party of Alberta opposes his proposal.

Nevertheless, inasmuch as the justice minister has changed his mind regarding the banning of handguns used in competitive shooting, what other areas of legislation is the minister prepared to change?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I hope it is evident not only to the hon. member but to everyone in this House and in the country that notwithstanding changes as reflected in the bill introduced today, the one thing that remains is our commitment to the principles of this policy.

• (1435)

Speaking of commitment to principles, the hon. member is a member of a party which prides itself as the law and order party in the House of Commons. I would like that party to explain why it opposes legislation which has the support of the police and the victims groups of this country.

* * *

[*Translation*]

MANPOWER TRAINING

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, my question is for the Prime Minister. The tenors of the federal government keep on repeating that we can make federalism more flexible without reforming the constitution, and that administrative agreements could suffice to settle the issue.

If the Prime Minister wants us to take him seriously, before the referendum, why has he refused to grant Quebec's requests regarding job training, and for the sake of efficiency, to finally acknowledge the consensus in Quebec?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we made the provincial government some offers on this issue several months ago. We could not grant all of their requests, and as the minister responsible for federal–provincial relations said, half a loaf of bread is better than none, and yet, they refused.

I know very well that she would remain a separatist even if we resolved the workforce issue. The question that should be asked in the referendum is: "Do you want to separate from Canada?" That is the question, and Quebecers will reply: "We want to stay in Canada, we do not want anything to do with the separatists".

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, I detect in the Prime Minister's answer that he is interested in foiling the separatists, to the detriment of the unemployed, who are in need of job training.

Will the Prime Minister confirm that his government never planned to transfer responsibility for job training to Quebec, but on the contrary, that he intends to increase intervention in this area through his social program reforms, financing that intervention even more, perhaps even with surpluses from the unemployment insurance fund?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I am very pleased to see flexible separatists, because in this case, she is asking to change the Canadian constitution. She is no longer talking about separation. So she is going to have to make up her mind eventually.

* * *

[*English*]

FISHERIES

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

At the most recent meeting of the Northwest Atlantic Fisheries Organization, Canada won a critical vote to protect and share 60 per cent of the total allowable catch for Greenland halibut. Now the European Union is threatening to ignore this internationally respected conservation body and launch a formal objection. What does Canada intend to do in the face of this challenge?

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I thank the hon. member for his question.

Indeed the fishermen of Canada were pleased when Canada was assigned by the Northwest Atlantic Fisheries Organization—

The Speaker: Colleagues, I would ask you please to respect both the questions and the answers. I am sure we want to hear both the questions and the answers and everything else which transpires here in the House. The hon. Minister of Fisheries and Oceans.

Mr. Tobin: Mr. Speaker, a noisy House is particularly difficult for quiet–spoken members like me.

Canadian fishermen indeed were pleased to receive from the Northwest Atlantic Fisheries Organization 60 per cent of the turbot quota at the meeting in Brussels. They thought it appropriate that the Spanish fleet fishing under the EU flag received an appropriate level of allocation, in this case 13 per cent.

We want to work with the European Union to see this conservation plan put in place in a responsible fashion. The Department of Foreign Affairs has taken the lead in making Canada's view known.

• (1440)

We have heard reports that the EU may object to the NAFO decision and set unilateral quotas. That is not acceptable to Canada. The last time the EU set unilateral quotas they destroyed flatfish stocks and northern cod. Canada will not stand by and see more stocks destroyed.

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CANADIAN AIRBORNE REGIMENT

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, my question is for the Minister of National Defence.

How many of the men who appeared in the August 1992 video and how many who appeared in the February 1993 video are still serving with the airborne regiment?

Mr. Collenette: Mr. Speaker, I was detained for a few moments. Perhaps the hon. member could repeat his question.

Mr. Frazer: Mr. Speaker, how many of the men who appeared in the August 1992 video and how many who appeared in the February 1993 video are still serving with the airborne regiment?

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the actions in those videos are subject to investigation. Once we have the answers I will make them available to the hon. member.

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, the minister knows he could transfer everyone connected with those incidents and those in Somalia, but retain the regiment.

Has he considered that by disbanding the airborne he is unnecessarily inflicting upon the Canadian taxpayer millions of dollars in costs for relocating the personnel and their families, for dismantling the facility at Petawawa and for establishing a new facility for the new unit?

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I dealt with all these questions three weeks ago. I am sorry the hon. member is now just addressing them.

With respect to operational costs, there probably will be some operational costs involved. On the other hand, most of the activity at CFB Petawawa will be retained simply because in the white paper we announced an augmentation of the army capability. Therefore those people in that particular area should not feel too badly from an economic point of view.

* * *

[*Translation*]

INTERNATIONAL TRADE

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, my question is for the Minister for International Trade.

Another trade dispute is looming between Canada and the U.S., this time over eggs, poultry and dairy products, which are all subject to quotas. Such a dispute might hit agricultural producers in Quebec and Canada very hard.

Will the Minister for International Trade firmly reiterate Canada's position by arguing that its tariff schedule is totally consistent with the new GATT, now WTO, agreements and does he undertake not to make any concessions to the Americans on this issue?

[*English*]

Hon. Roy MacLaren (Minister for International Trade, Lib.): Mr. Speaker, yes.

[*Translation*]

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, can the minister make a very clear, perhaps fuller, concrete commitment not to accept any reduction in the customs tariffs put in place by Canada, including those for yogurt and ice cream, or any other concession that would hurt the interests of poultry and dairy producers in Quebec and Canada?

[*English*]

Hon. Roy MacLaren (Minister for International Trade, Lib.): Mr. Speaker, the specific question of ice cream and yogurt has been a matter of a GATT panel decision. We will take action in light of that decision.

Concerning the broader question of dairy and poultry, we will indeed pursue our basic position that—I am sorry, Mr. Speaker, I do not want you to think I do not enjoy looking at you.

The Speaker: I want the hon. minister to know that the feeling is reciprocal.

Some hon. members: Oh, oh.

Mr. MacLaren: Mr. Speaker, as I was saying, Canada will of course defend vigorously its fundamental position that the tariffication under the GATT takes precedence over NAFTA.

* * *

HEALTH CARE

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, Quebec joins Alberta in thinking that the federal Minister of Health is wrong in her rigid rules on semiprivate clinics.

• (1445)

Health minister Rochon says: "Health is a provincial jurisdiction. It is not Marleau's place to determine".

Why does this health minister stick with a rigid centralist view of health care when the rest of the country wants flexibility and real reform?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, I would advise the member to read the Canada Health Act. That is why we are doing it.

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, the premier of Newfoundland also agrees with Quebec. He says: "The federal government should stop interfering in provincial areas such as health. Provinces want flexibility. The citizens want flexibility". Has this health minister one single proposal to make Canada's health system more flexible?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, I would remind the hon. member to go back and get a copy of the Canada Health Act and read it.

* * *

INFRASTRUCTURE

Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.): Mr. Speaker, my question is for the President of the Treasury Board and the minister responsible for the national infrastructure program.

The national infrastructure program has been a catalyst for growth in Guelph—Wellington and in every community in Canada. Can the minister provide an update as to the status of the program and the number of jobs it has created in Ontario and in this country?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, I have more good news for the House.

We are not even half way through the funding allocation of this program. Already some 4,700 projects have been approved in Ontario, creating some 31,000 jobs. This is going a long way to putting Canadians back to work and strengthening the infrastructure in our communities and well on the way to the creation of 100,000 jobs.

I think it says to the premier of Ontario that he is out to lunch when he says that we are not focused on jobs. That is our number one priority.

* * *

[*Translation*]

TAINTED BLOOD

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

Tomorrow, Judge Krever will submit to the cabinet his interim report on the activities surrounding the blood supply system in Canada.

In order to ensure at least a minimum of openness, can the minister undertake to release the Krever Commission's interim report as soon as it is submitted to cabinet?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, Judge Krever's report is not presented to me personally but to cabinet. We will, of course, respond as quickly as possible.

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, how can the minister claim to be restoring Canadians' confidence in their blood supply system when she is not even willing to make this report public as soon as it is presented to cabinet?

[*English*]

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, let me reassure the hon. member and every Canadian that we have not waited to take action. We have taken a number of very decisive steps to ensure the safety of the blood supply in Canada.

When the report is received we will respond quickly. We will respond with all appropriate action to ensure that not only is the blood supply system in this country as good as everyone else's but that it is the best in the world.

SYDNEY TAR PONDS

Mr. Bill Gilmour (Comox—Alberni, Ref.): Mr. Speaker, the clean up of the Sydney tar ponds in Nova Scotia is under a dark cloud.

The tar ponds, described as Canada's worst environmental disaster, were exempted by the previous government from an environmental assessment.

Because of this deadly blunder the list of compounds and their concentrations in the tar ponds is not fully known. In addition, the toxic coke oven site is not included in the clean ups and the ability of the incinerator to destroy PCBs is in question.

• (1450)

Given these severe limitations, will the environment minister order a full environmental assessment of the Sydney tar ponds project, including the coke oven site and the incineration process?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, I can repeat to the hon. member that the federal Ministry of the Environment will be working very closely with the province of Nova Scotia to ensure that the CCME guidelines that were adopted in 1992 on hazardous waste incineration, that is stronger, more stringent guidelines, will be applied. We will be working with the province to monitor its application to ensure the health and the safety of all of the residents around the Sydney tar ponds.

Mr. Bill Gilmour (Comox—Alberni, Ref.): Mr. Speaker, this is only part of the problem. A full environmental assessment needs to look at all the problems, including the coke ovens.

Yesterday the minister replied that the tar ponds project was operating within CCME guidelines. The minister's answer is inconsistent with the 1994 consultant's report which lists federal guidelines and compares them with the tar ponds operating permit, showing many discrepancies.

Will the minister explain the glaring inconsistencies between the tar ponds consultant's report and her answer yesterday?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, when the tar ponds operating permit was established in 1988 it was established according to available environmental guidelines at that time.

When in 1992 the Canadian Council of Ministers of the Environment improved the guidelines to ensure that they were more stringent with respect to PCB incineration, the project in Nova Scotia in question was voluntarily submitted to those guidelines.

As I stated yesterday and in my previous answer, we are working with the Government of Nova Scotia to ensure that not only the incineration be below the acceptable guidelines but also that the regulations generally be changed to reflect that.

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SUGAR

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, my question is for the Prime Minister.

Will the Prime Minister reassure this House that he will raise the matter of further American restrictions of Canadian sugar and sugar containing products that are endangering our sugar industry when he meets with President Clinton later this month? Will the Prime Minister stand up for Canadians whose jobs are at risk because of American protectionism?

Right Hon. Jean Chrétien (Prime Minister, Lib.): The answer is oui.

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RAIL TRANSPORT

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, my question is for the Minister of Human Resources Development and has to do with Mr. Hope's report on the rail negotiations which the minister has now had for about a week.

When will the minister be releasing the report? Many railway workers have been waiting a long time for this matter to be resolved and they want to see this matter resolved. When will he be releasing the report and when will he tell the Minister of Transport to stop acting like the minister for the CNR or the CPR and tell the Minister of Transport to keep his big nose out of these negotiations?

Some hon. members: Oh, oh.

Mr. Speaker: I am sure the hon. member was using a figure of speech. I hope we will not resort to these types of remarks. The hon. Minister of Human Resources Development.

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I have always been a great admirer of the distinguished profile of my colleague, the Minister of Transport, and so I certainly have no intention of undertaking any effort to probe his proboscis.

On the more serious matter, I would like to report that I have received a copy of commissioner Hope's report. Because of the significance and impact we are studying it very carefully. We also will have to submit it for translation so that it is available in both official languages. We would want to depose the report as quickly as possible so that we can get on with the negotiations and discussions.

I say to my hon. friend that there is nothing to stop the parties coming to an agreement without that report if they want to really get down to the brass tacks and negotiate a new deal for the railways.

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, I do not want to follow up on the question of the minister's profile but I do want to follow up on the question I asked the minister responsible for labour about what he is going to do about the fact that the Minister of Transport is taking a position in these negotiations identical to that of the companies.

• (1455)

This is not what the Minister of Transport is supposed to do. It is what the minister of labour should object to if he wants to protect the integrity of that process.

What will the Minister of Human Resources Development be telling his colleague in this respect?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, the responsibility of the minister of labour is to ensure that the Canada Labour Code is properly honoured and recognized by both management and labour in the conduct of their affairs and in their discussions, which we are doing dutifully and properly, and that where there are disputes, we are also here to represent the public interest and to make sure that we can resolve these disputes on the basis which will ensure that all Canadians are served well.

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CHECHNYA

Mrs. Jane Stewart (Brant, Lib.): Mr. Speaker, Canadians were extremely happy to hear this morning that a ceasefire has been reached in the terrible war in Chechnya. Like most Canadians, I have been horrified by the brutal violence and bloodshed that have marked this war.

Can the Minister of Foreign Affairs inform the House what the ceasefire will mean for the efforts to establish a lasting peace in this area of the world?

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, quite clearly we are happy to see that at last there is a ceasefire. We hope that this will be the prelude to intensive negotiations that will lead to lasting piece in that part of Russia.

Clearly, as the hon. member has indicated, we are concerned for the civilians who have been terribly affected by this war. We are in consultation with the international Red Cross in order to assist civilians who have been affected.

PATRONAGE APPOINTMENTS

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, my question is for the Minister of National Defence and Veterans Affairs.

Mr. René Cormier, a member of the Canadian Pension Commission, has been on paid leave, not sick leave, not for a few weeks or a few months, but for over one year. Will the minister please explain to Canadians suffering under crippling tax burdens how this situation involving a political appointee at $100,000 a year can be justified?

Hon. Lawrence MacAulay (Secretary of State (Veterans), Lib.): Mr. Speaker, I can assure my hon. colleagues that it is before the courts and will be settled shortly.

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, I hope we do not need a fourth video for someone to take action.

My supplemental question is for the President of the Treasury Board. The minister expects Canadians to take him seriously when he talks of reforms to the public service while political patronage appointments like Mr. Cormier are paid for over a year at the taxpayers' expense without doing a thing.

Would it not be a good idea to establish exactly how many redundant political appointments are out there and show some leadership by example by cutting redundant patronage positions before asking productive public servants to take cuts?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I want to have the last word today.

In response to the hon. member, we have made a review of all order in council appointments. Hundreds of have been cut since this government has taken charge. We are reviewing all of these appointments. We have reduced them and we intend to continue to do so.

In the case of this individual, as the Minister of State for Veterans said, it is a problem which is before the courts at the moment.

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[*Translation*]

OVERLAP AND DUPLICATION

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, last week, the Minister of Intergovernmental Affairs said that most of the $5.9 million budget for its department's task force on Canadian unity had been used to finance studies on duplication and overlap between federal and provincial programs.

Considering the numerous questions asked by the Official Opposition regarding waste due to duplication and overlap, will

the minister agree to release the studies conducted by its department and table them in the House?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, we currently have action plans with eight provinces and two territories to reduce duplication. Over the last year, we signed 64 agreements with the provinces and the territories and they are all public. Consequently, we have no problem with letting the opposition marvel at such achievements.

• (1500)

By September 12, 1994, eight agreements had been concluded with Quebec. Of course, there have not been any since, but we continue to use money to reduce duplication and overlap. We do not talk about it: We do it.

* * *

[*English*]

PRESENCE IN THE GALLERY

The Speaker: I wish to draw the attention of hon. members to the presence in the gallery of the hon. Wayne Adams, Minister of Supply and Services of the province of Nova Scotia.

With him today is the hon. Ross Bragg, Minister responsible for Economic Development and Tourism of the province of Nova Scotia.

Some hon. members: Hear, hear.

* * *

POINTS OF ORDER

COMMENTS IN CHAMBER

Hon. Audrey McLaughlin (Yukon, NDP): Mr. Speaker, I should like to clarify a statement I made earlier today. When I referred to a very strong and respect Indian leader in Yukon I had meant to say Elijah Smith and inadvertently said the late Elijah Harper.

I certainly express my regrets to the hon. member for Churchill for having made that error. I am reminded of Shakespeare's statement that we come to praise Caesar, not to bury him. I express my regrets to the member.

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WAYS AND MEANS

NOTICE OF MOTION

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, pursuant to Standing Order 83(1), I wish to table a notice of a 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.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY—DEFICIT ELIMINATION

The House resumed consideration of the motion.

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, 12 years ago a Boeing 767 flying from Montreal to Edmonton nearly crashed over northwestern Ontario. This near tragedy was not a result of a mechanical failure or a powerful prairie thunderstorm. It simply ran out of gas.

In its statement the airline placed the blame for this emergency on human error involved in converting the fuel measurement from imperial to metric amounts. It was only the skill of the pilot that manoeuvred the drifting aircraft to a safe landing. At 30,000 feet refuelling is no longer an option. The fate of the passengers lay in the hands of leadership. Interestingly enough the airline was Air Canada.

• (1505)

Canada as a nation is like that aircraft. Our ship of state is in trouble, not because of some internal mechanical malfunction but because of human error.

The world has changed to a new competitive economy. The rules have changed but our ground crew still does not know how to make the conversion. After two decades of human error air Canada is drifting. Our financial reserves are empty and Canadians, the passengers, are deeply concerned about their future and safety. The only problem is that at this moment the incompetent ground crew is still flying the aeroplane.

Each one of us knows that personal security is vitally important to Canadians. Ours is a compassionate society. We all want to know that our friends, families, neighbours and ourselves will be taken care of during times of need. Yet somehow after 30 years of ballooning government spending on social programs we have been left with less security rather than more. Why is this so?

Let me save the suspense by answering my own question. Canadians feel more insecure now than ever before because government overspending has robbed them of their personal security. The welfare state has failed. Just as communism and socialism crumbled after a 75–year experiment, our own 25–year social digression has come to a painful conclusion.

Canadians are beginning to realize that the welfare state is not working and that it is time to re–evaluate the government's role in providing social security to individuals. The greatest single danger to the personal security of Canadians comes from the

financial unsustainability of social programs currently monopolized by government. They are unsustainable if we have to borrow money to pay for them, which is exactly what successive governments have done for the last 25 years.

Thanks to such irresponsible management the federal debt is now over $530 billion and provincial and municipal governments owe another $190 billion. Instead of providing peace of mind these programs and their associated debt have left Canadians feeling anxious about this, about their and their families' futures.

Why have Canada's debt and deficit left Canadians feeling anxious and insecure about their futures? The reason Canadians feel such concern is that after being deceived for so long, led to believe that government would look after them and take care of them from cradle to grave, they have come to realize they are now relying on a bankrupt state. They have come to realize the interest payments on the debt have become so large and are growing so fast that it is beginning to crowd out the social programs that have protected them for nearly a generation.

The greatest risks to Canada's social fabric are the threats of annual deficits and a rising national debt which over the past 30 years has crowded out many legitimate expenditures of governments.

We have borrowed so much over the last 25 years and accumulated so much debt that all the money we borrow this year will be used to pay interest on our federal debt. When it comes to government there are no free lunches. In fact compound interest make the ultimate cost of what government is borrowing very costly indeed; in fact more costly than if we had paid for them outright, if we had paid our own way to begin with.

Effectively interest payments are crowding out programs. Money that could be used to help Canadians is simply not available to us because we have to pay our interest obligations. Interest payment on the debt is now the single largest expenditure item for many governments, depleting resources for public investments in health, education and infrastructure. As we continue to borrow, our debt increases as does the interest, leaving even less money for essential programs.

Where does all this debt and compound interest leave Canadians? It leaves us paying more taxes while at the same time receiving fewer services. Canada's debt burden is both eating up a substantial portion of current tax dollars and reducing the ability of all levels of government to provide essential social services. Can we understand now why Canadians are concerned?

• (1510)

How did we get into this mess? Whose human error or ignorance while working with ground support has brought us to a place of flying empty at 30,000 feet? Who could the passengers of our drifting air Canada hold responsible for bringing them into such a dangerous predicament?

It just so happens the ground support staff has been promoted to captain and crew. Is that not a comforting thought? The very ones who got us into this mess are now in control. Meanwhile, Captain Chrétien sails serenely on committing ordinary Canadians to a perpetual stream of more interest. Ironically it was the Trudeau Liberal government of which Mr. Chrétien was a member and a one–time finance minister—

The Acting Speaker (Mr. Kilger): Order. I remind the House that during any intervention while referring to any member of the government cabinet we refer to the position or the office. In this case it is the right hon. Prime Minister or the Minister of Finance as opposed to the individual's name.

Mrs. Ablonczy: Mr. Speaker, ironically it was the Trudeau Liberal government of which the present Prime Minister was a member and a one–time finance minister that first sold Canadians on the myth that big government could solve most of our problems. What they never made clear was that they would pay for this by heavy taxation and borrowing from future generations.

For more than a quarter of a century Canadians have been encouraged to increasingly rely on government and they have done just that. The disastrous consequences of these Liberal policies are now threatening the well–being of society.

As a co–pilot and former ground support staffer, the failure of the human resources minister to reform social programs to make them target better and cost less is a failure that all Canadians will pay for in the form of higher taxes.

We need to fight the debt and deficit not to hurt people but to help them, to free them from the chains of insecurity, the links of which are made of debt and interest payments. The welfare state is sinking under the weight of its own waste, inefficiency and disabling dependency.

Fundamental reform and renewal of our social security framework are absolutely imperative if we are to have any hope of sustaining our existing high quality of life, providing Canadian youth with opportunities rather than simply an unmanageable financial obligation, and continuing to help the poor and needy among us.

The government intends to continue to borrow billions of dollars every year. Extra interest must then be paid on each year's borrowings. Each extra dollar in interest is a dollar taken out of our economy, a dollar that could have been used to expand a business, take advantage of trade opportunities or hire an unemployed Canadian.

Let us imagine what Canadians could have done with the over $40 billion we had to pay out of our pockets in interest last year alone. Let us imagine the health care it would have paid for or

the poor whose basic needs could have been met. Let us imagine the education and training that $40 billion could have provided or the help to our seniors who live in poverty.

The government should act now before interest drains our social security further and further every year, get a grip on its spending, find more effective ways to deliver the services we require, and let us get on with the job of building a secure society for ourselves and our children.

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, I congratulate the member for Calgary North who I thought gave a fine presentation. Seemingly she is concerned about finding somebody to blame for our past problems and our budgetary situation today.

I note that all western democracies, all OECD countries, increased their deficits during this period of time. Clearly we would not blame the Prime Minister or our party for the debts of the rest of the world.

I do not think it is fair realistically to go back and study history. What we want and what the people of Canada want are solutions. I am surprised by an opposition party that has no solutions. All I heard were complaints. All I heard were problems. There were no solutions.

• (1515)

There is one thing I would like to know as a bottom line from my hon. colleagues in the Reform Party. They want to basically allocate social spending to the provinces, give up tax points to the provinces. What is the end result of this philosophy? Ten balkanized countries within Canada? What about standards, health standards, labour standards? What is it that makes a country?

Mrs. Ablonczy: Mr. Speaker, there were a lot of questions in that intervention. I would be happy to address them.

My hon. colleague says that Canada was not the only one that ran up a debt, that everyone else did too, so why pick on us. I do not know about you, Mr. Speaker, but your mother was probably like mine. She used to say to me: "If all your friends jump off a bridge, does that mean you are going to too?". We are not responsible for other countries. The leadership of our country is responsible for us. It has not done a very responsible job of looking after our interests in the long term.

Members opposite are always pleading for solutions from our party. We have worked hard to provide them with solutions. We will even be providing them with an alternative budget which is something no opposition party has ever done before.

I would suggest to the hon. member that perhaps he and his party need to work a little harder to provide some solutions. They should provide some glimmer of reform solutions to the people of Canada. I might add that solutions in the social policy area were promised loud and long and have never been delivered on.

Members opposite need to realize that if tax points were given to the provinces in order to allow them to have more control over the social programs in their provinces, the tax points grow as the tax base of the province grows. The tax base, the economies of our provinces and our country have been growing.

Once we give provinces tax points, their potential tax base actually expands, many over time. They actually have more hope of funding their programs long term and having a continuing source of revenue than if they were dependent on transfers from the federal government. As we have seen, transfers can be cut or are very uncertain. Provinces that have their own tax base to draw from are much more secure—and my economist colleague is nodding so I think I have this right—than if they are totally dependent on whatever largesse the federal government might decide to give them from time to time.

My colleague mentions fears that if there is not a centralist government, a tightly controlled federation from the centre which has always been the Liberal vision of this country, that somehow things will go to hell in a hand basket. I might point out to him that things are not too far from going to hell in a hand basket with the centralist vision having been very firmly in place for the last 25 years.

Surely we can do no worse than to trust those governments which are closest to us the people. We have the most impact on those and we can influence them more effectively than distant, federal central governments. If we could have more say and more influence over our own local governments, we would be a lot better off than we are today.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, it gives me great pleasure to speak to our supply motion which demands that the government respond to the demands of Canadians with spending cuts and not net tax increases.

Currently we are engaged in one of the greatest threats to our society and economy. It is not something that comes from without, but something that comes from within our own boundaries. It is not the deficit spending but the debt, that massive summation of overspending that has gone on for at least two decades that seeks to compromise every aspect of our society, every aspect of our economy and seeks to affect every individual in this country from coast to coast.

What is the magnitude of this debt? Many people talk about the federal debt being $550 billion. They do not include the provincial debt of $220 billion, the municipal debt of several billion, and unfunded liabilities such as CPP in the order of $500 billion. What does this do? The combination of all this amounts

to over $1.2 trillion. This debt is ever increasing and causes us to pay increasing amounts of interest from the public purse on this.

• (1520)

The government takes in about $120 billion every year and spends about $160 billion which means a deficit of about $40 billion. It is interesting because this amount is actually the amount of interest we borrow every year to pay on our debt. The government also spends out of this $40 billion on government services and about $80 billion on social programs.

As the debt increases we have larger interest payments to make which must come from one of two sources, either increased taxes or a boost in the economy. The increased taxes will either come from companies or from individuals.

If you are an individual it decreases your ability to spend money which has a downward effect on the economy. Similarly, if members speak to businesses in their communities they will find they cannot hire more people, they cannot do more research, they cannot do any more development, they cannot expand. Therefore it has a depressing and downward effect on the economy.

The citizens of Canada have sent a clear message to every member of Parliament: No new taxes; get the economic house in order; and make the necessary cuts in expenditures to do this because our taxes are already too high.

The government has said it will cut expenditures to 3 per cent of GDP, but I submit this is an element of intellectual dishonesty. This comes from the Maastricht negotiations where it was said that the combined amounts should be 3 per cent of the net debt, not the federal debt, but the accumulated debt which in this country is over $1 trillion.

If we adhere to what this government wishes to do, over a period of three years we will add at least $100 billion to the debt and further increase the amount of interest payments we have to make every year.

Even if we balance the budget, and we should look at the New Zealand experiment, there will be no change in interest payments over the short term and these expenditures will continue, but we do not have a choice in the matter. If we look at New Zealand now, some 10 years after its economic downturn, we see a country that is booming, a country that has one of the most aggressive and positive economies in the world. The reason it did this was because it was forced to the wall to get its economic house in order.

We do not necessarily want to go the way of New Zealand. We do not want a solution foisted upon us from outside the country by the international financial institutions. We would like to have a made in Canada solution, a solution which makes cuts that are sensitive and sensible without affecting the poorest of the poor in order to save the core of our social programs and to keep the economy we have come to know.

Our role in opposition is not to continually criticize, as the member from the other party mentioned just a few minutes ago. We have put forth a constructive and specific program to this government on how and where to make the necessary decreases in government expenditures. In other words, we have put forward constructive alternatives which very few opposition parties in the history of Parliament have ever done.

Initially, our financial group looked at government operations and removed $10 billion from that. Further, it decided to make cuts of $15 billion to $18 billion from social programs. The rest we would need in order to balance the budget would come from a 3 per cent growth in the economy.

Contrary to what has been put forward in the media, we are not a slash and burn party. Rather we are putting forth constructive and sensitive cuts in order to preserve the core of social programs in order to minimize the effect it will have on those who are most disadvantaged in our society.

Be aware that if we do not make these necessary changes now while we are in an economic upturn, we will have to do it in an economic downturn. That, my colleagues, will be one which is going to affect those who are least advantaged the most.

• (1525)

As I said before, our financial group has put forth a very constructive and specific plan in making these decreases to expenditures. The first priority is that we in this House must set an example. As a result of that we say: Let us make the cuts from the top first.

First we spoke about revamping MP pension plans and time and time again we have presented to this government specific ways in which to do that.

We have also advocated a 15 per cent cut to our budgets and eliminating excessive travel by members of Parliament. Just as an aside, each of us in this House can actually do this. In my office we found that by booking early and looking for deals we have decreased the amount of travel expenditures by 60 per cent from the average MP. If we all did this, it would be a considerable saving to the taxpayer.

We also say in this party that we must prioritize the funding to ensure that those aspects of government that are essential, that is, health care, education and law enforcement, are of the highest priority in terms of spending. We must also decrease duplication between the federal and provincial governments for savings of roughly $3.5 billion.

Some examples are eliminating the Official Languages Act which would save $310 million, to such things as eliminating official multiculturalism. Just as an aside I would like to say that this policy is one of the most divisive policies in the country.

Rather than concentrating on those things that bind us together as individuals it concentrates on our differences.

Speaking as an immigrant to this country, one who is very proud to have had the ability to come here and live here, this country offers so many things to all different peoples. One of the beauties of this country is that we are one of the few countries in the world which has been able to merge together over 160 different ethnic groups into a relatively heterogeneous group in peace. It is something as Canadians we ought to be proud of. Our new Governor General actually made a point of mentioning this in his installation speech which I was very grateful to hear.

Another aspect in our financial plan has been to stop subsidizing businesses and special interest groups to the tune of $3.7 billion a year. When we speak to businesses in the community they do not want handouts. They want a stable economy, a stable dollar, a skilled workforce and good information about where they can capitalize on export markets.

I encourage our fellow members who sit on the foreign affairs committee and the foreign affairs and international trade department to please listen and devise ways in which companies in our country can aggressively take advantage of export markets. They are out there and we can do it. We are more than happy to help.

The cuts we propose are over three years. Again we have emphasized no new taxes.

Some studies recently have come out to say that we in Canada are not taxed that heavily. I would argue again that this is an example of intellectual dishonesty. What it looked at was an example of taxation as a percentage of GDP which has no relation whatsoever as to how this affects each individual Canadian.

What is perhaps more revealing is to look at how it would affect the average person on the street. In 1961 the average Canadian family paid 22 per cent of its income in taxes and the free tax day was May 3. In 1994 the average Canadian family paid 46 per cent of its income in taxes and the tax free day jumped 44 days to June 16. We are being taxed more. Just in the eight years these taxes per family have gone up $3,500. This is due to increased spending by governments.

The government has recommended and made rumblings on increases in taxes on gas, lottery winnings, dental and medical benefits, surtaxes on individuals and businesses, RRSPs, inheritance taxes, and so on. The public and we in this party have said time and time again: Do not do this; we will not allow it to happen.

We would ask the finance minister to please look very carefully at the well thought out and specific plans our financial group has put forth. Please adopt as many of these plans as possible to do. We are more than happy to help you get our economic house in order. I put that to you as an offer.

• (1530)

[*Translation*]

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, I listened carefully to the member for Esquimalt—Juan de Fuca tell us a lot about federal expenditures. I must remind him that this has been going on for a long time and particularly since 1970, when the Liberal government of the time decided to centralize pretty well everything in Ottawa in an effort to boost the economy, so to speak. At that point in the 1970s, the government, by borrowing to create jobs and build up the economy, also caused the economy to overheat somewhat, which led to an appalling rate of inflation.

Do you remember the 1970s? Having created the inflation itself, the government was obliged to raise interest rates enough in the 1980s in order to reduce this appalling inflation, which had reached a rate of approximately 10 per cent per year. This means that the government created the inflation between 1970 and 1980. In 1980, it raised interest rates to reduce inflation and caused the recession. In 1984, the Conservatives continued to spend in the same way as the Liberals, who had set up certain projects to get through the recession between 1980 and 1984.

Between 1984 and 1990, the Conservative federal government continued to spend as the Liberals had between 1970 and 1980. They created more inflation, and, naturally, in 1990, they raised the interest rates and created another recession, which has lasted four or five years now.

It is easy enough to understand; this means that the federal government has caused all of Canada's problems. It is clear and precise. I will try to explain, in three minutes, that the real cause of the debt is the federal government itself which interfered in matters of no concern to it. It meddled in the economy, in all kinds of things.

I agree in principle with the Reform Party member who says that the federal government must stop some of its interference with the provinces if not most of it. And before him, the Reform Party member for Calgary–North said much the same. The government must disentangle itself and decentralize precisely to restore order in the country.

This is why I, for one, have taken the position that federalism has caused a tremendous amount of harm and has led Canada to bankruptcy and this is why I ask and we ask that Quebec become a sovereign nation in economic association with the rest of Canada, with Canada remaining as a type of committee or advisory board, a type of board responsible for managing areas the regions have in common. I would to hear the member's comments on this.

[*English*]

Mr. Martin (Esquimalt—Juan de Fuca): Mr. Speaker, I thank my hon. colleague for the number of questions he poses.

We all know the history of the debt and deficit but rather than pointing fingers back in time we should look forward in the interests of all Canadians to put forward a constructive solution. I believe that is one of the things we have done.

Another issue that my hon. colleague mentions is the division between federal and provincial responsibilities. I will take but one example that is probably very close to his heart and that is the official languages policy. We in this party and people from coast to coast, including the people in Quebec, have said that the official languages policy has been a dismal failure.

We are saying we should give language responsibility to the provinces. If every province had that responsibility then they, the people inside the province, will determine what will be the language of choice in that area. It would reflect the regional bilingualism or unilingualism of an area. It would also save the taxpayer hundreds of millions of dollars per year.

To reiterate, the biggest threat we have to the social programs is continued overspending. What we are trying to do, what we are obligated to do in the interests of those who are most disadvantaged in our society is to ensure that we get spending under control to enable the government to have the money to spend on them.

• (1535)

Ms. Marlene Catterall (Ottawa West, Lib.): Mr. Speaker, it is a pleasure for me to participate in this debate.

As I listen to the Reform Party and particularly the last speaker, I cannot help wondering if they believe in a country called Canada at all, believe in a sense of nationhood, in a society in which the public sector, the private sector all have a role to play. Do they believe in the kind of liberalism that has always defended the proper balance between those two roles but above all has stood for a sense of nationhood from coast to coast and not a patchwork quilt?

This debate provides us a good opportunity to bring Canadians and the Reform Party up to date on some of the very specific measures that the government has undertaken to control spending and to use their money prudently.

[*Translation*]

If the hon. members opposite would only take the time to look at the budget the Minister of Finance tabled last year and to add up all of the initiatives on public finances taken since, they would conclude that the motion is a little off the mark.

[*English*]

In that budget we made a start, but only a start, by reducing the deficit from $45.7 billion to $39.7 billion. This was done by cutting spending. There were $5 of cuts for every dollar of revenue action.

More important, we introduced a number of policies to stimulate job creation and the economy responded admirably. Since we came to office in November 1993, 413,000 new jobs have been created in Canada. I have to say on behalf of my own region that 13,400 of these were created in the national capital region in spite of expenditure reductions and government restraint. The Canadian economy is now out performing those of all G–7 countries and it is expected to do the same next year.

[*Translation*]

For clarity and conciseness, I will only comment on initiatives sponsored by the hon. Marcel Massé, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal.

[*English*]

These initiatives, in general an integral part of the government's overall approach of fiscally sound management, will themselves contribute in a substantial way to the longer term economic management of the country.

When the government took office, we realized that as a nation, we are confronted with change the magnitude of which we have never seen before. The changes that are occurring here, in other countries and in most spheres of human endeavour are ushering in an altogether new era.

[*Translation*]

It was obvious to us that the old methods of approaching and resolving problems were longer adequate. It was also obvious that, to continue serving the population well in the next century, we would have to change the very role the government played.

[*English*]

As a government, our agenda is clear: creating the conditions to sustain economic growth, facilitate the creation of new business and get people back to work. As a government, our message is clear. Government spending is being and will continue to be brought under control.

As a nation we have reached a point of no return where we no longer have alternatives. Postponing the hard decisions that are needed this year would merely postpone the inevitable need for more dramatic and disruptive action in the future.

• (1540)

My hon. colleague, the minister and the government caucus understand that any serious attempt at deficit reduction now and especially in the long term requires a basic restructuring of what

government is and what government does. That is exactly what the minister has been doing this last year, looking at precisely how government can be restructured in such a way that it not only spends less but also concentrates on its core roles and responsibilities.

The full details, as we are all aware, will be announced in the forthcoming budget. However, the minister has looked at ways that government operations can be more focused, more client centred, more efficient and more cost effective. In a word, the kind of government Canadians want, at a price they can afford.

It is very obvious that Canadians have understood our intentions, that they agree with and support our approach. We need only look at the results of yesterday's byelections for confirmation of this. The voters in three riding enthusiastically endorsed the Liberal government's actions to create jobs and growth.

[*Translation*]

Mr. Speaker, you will recall that the Prime Minister asked Mr. Massé to lead a review of every department's programs, activities and expenditures. This initiative, known as a program review, covered approximately $47 billion in program spending.

[*English*]

The program review had three major objectives. The first was to strengthen the public administration of federal programs and services. Program review will lead to a smaller, more efficient federal government delivering high priority programs to Canadians.

The second objective was to make a contribution to the modernization of Canadian federalism. Program review will help ensure the federal government delivers only those programs and services it is best equipped to deliver.

The third objective was to help the government meet its fiscal objectives. Federal departments have recommended major reductions in program spending based on their priorities. In general, ministers proposed a range of program changes and consolidations which are to be implemented following the 1995 budget.

These changes are designed to ensure that departments discard non–core responsibilities. Similar programs and services are placed in a single department to achieve maximum efficiency. What has been done with pesticide control in recent days is a very good example of that.

Overlap and duplication among and between departments and jurisdictions is removed. New technologies are used to lower the cost of program delivery, while increasing service standards. Cost recovery and user fees are to be used to finance programs that provide economic benefits to clients and stakeholders.

[*Translation*]

Every sector of government activity—from transportation, farming and fisheries to energy, mines and forestry, as well as assistance to businesses, immigration, etc—was reviewed. Almost all federal departments will be called upon to restructure their programs and to concentrate their efforts on sectors of national or international importance, sectors which are in the general interest of the country. This was one of the program review's guiding principles.

[*English*]

Program review outcomes will provide clear and undeniable evidence that the federal government has confronted its fiscal pressures by getting its own fiscal house in order. The federal public service will be reduced significantly. Its size and functions will be brought into line with the federal government core roles arising from the program review.

This is and will continue to be a difficult period for public service employees right across the country and here in the national capital region. Local members of Parliament such as myself and the newly elected member for Ottawa—Vanier are all committed to ensuring that reductions in the public service workforce are managed in a fair, orderly way so as to reduce to an absolute minimum the stresses and disruptions to the lives of individuals affected.

• (1545)

As public service employees across this country hear horrendous stories about the magnitude of downsizing, I want it to be clear that we are not talking about huge numbers of public service employees losing their jobs. Financial compensation packages will be there. They will be fair and they will be adequate.

We will be flexible and imaginative in our approach. Every means at the disposal of government will be used to ease and facilitate the acquisition of new skills to make the transition to new careers as smooth and as complete as possible.

Let me illustrate how the program review will translate into specific actions by citing the Department of Transport as an example.

[*Translation*]

As the Minister of Transport said several times, the transportation system in Canada is too intrusive, subsidies are distorting trade and several parts of the system are in bad shape. Following the program review, Transport Canada will no longer own large parts of the system. It will no longer operate and finance them. Instead, it will focus on its fundamental responsibilities in terms of direction and regulation in order to ensure the safety of the transportation system.

[*English*]

Market discipline and business principles will be brought into the operation of transportation services. Costs will be reduced, overcapacity eliminated, regulations streamlined.

Another example is in the Department of Industry. The minister has announced that the era of providing subsidies to big business is ending. I am pleased to hear that the Reform Party supports that initiative of our government.

The private sector is the engine of economic growth and job creation. Nevertheless, the federal government will continue to have a significant role in creating the climate for business to be able to invest, innovate and compete for markets.

These are the types of sensible and meaningful improvements that will result right across government as a result of program review.

[*Translation*]

I would now like to draw the attention of members opposite to another similar initiative taken by the minister to make the federation more efficient by reducing overlap and duplication between the various levels of government.

[*English*]

Members will recall that at the first ministers meeting in December 1993 very shortly after our election, there was agreement to forge ahead on tackling specific issues and areas of shared responsibility or jurisdiction where overlap and duplication could be greatly reduced or eliminated altogether. Six months later, through a process of joint bilateral agreements, the two territories and eight of the provinces with one more coming on board signed action plans and set timeframes for concluding their work to get rid of overlap and duplication.

[*Translation*]

To really understand the type of improvements sought, let us consider the situation faced by the pulp and paper mills. They now have to deal with inspectors from the three levels of government, federal, provincial and municipal. We have agreed that, from now on, one inspector would be enough.

[*English*]

This is an example of the kind of sensible, meaningful activities which will result from the more than 50 action plans that have so far been signed between the federal government and the provinces. This work will continue. There will be more action plans in the months and years ahead as we continue to find ways to improve the efficiency of the federation.

It is important to underline that the reduction of overlap and duplication does not just result in savings. It also results in something as or more important and that is less government intervention on the individual and business and a more rational understandable environment in which to operate. That is not small change.

• (1550)

In addition to these two initiatives, the Minister responsible for Public Service Renewal has also looked at the role, function, size and cost of more than 400 federal agencies, boards, commissions and advisory bodies.

[*Translation*]

Ministers have been asked to review the various organizations under their jurisdiction, in order to simplify the machinery of government, by eliminating the organizations which have become useless or inactive and by streamlining the others.

[*English*]

In undertaking this review of boards and commissions, there were no set targets. Rather, it was intended to identify sensible and practical changes to make government work better. I might also say that has also been our approach to the public service: not to set numerical targets and not to take the slash and burn approach, but to say what makes sense to make this government work better.

To return to the boards and commissions, the first phase of this initiative is already before the House as Bill C–65, legislation which will enable the government to eliminate or significantly streamline 22 agencies and advisory bodies. By doing this, 150 governor in council positions will be eliminated. In very real terms these measures will save taxpayers about $1.5 million a year.

That is only one step in that process. The minister will be returning to the House with a second omnibus bill which will conclude the work. At that time hundreds of additional governor in council positions will be eliminated at what is anticipated to be a savings of approximately $10 million.

As the minister said in the House last week, the government wants to ensure that federal agencies continue to be relevant, that they are serving Canadians as effectively as possible and also that sensible and practical actions are taken to eliminate overlap and duplication and simplify government wherever possible.

[*Translation*]

I have just described three impressive components of the overall approach taken by the government towards fiscal responsibility. I think it is important for members opposite to understand these initiatives and agree that, as is the case with all the measures taken by this government, these are thoughtful, rational and well–considered decisions.

[*English*]

Proposals for mindless, indiscriminate axing in spending do not work in the modern context. Such proposals are simple minded and damaging not just to the economy but to the people of this country. Protecting the vulnerable is an essential function of government and to this we are deeply committed.

Yet we must be fair to taxpayers. Fairness to taxpayers means eliminating abuse, eliminating the careless use of public funds, eliminating non–productive activities, reducing the size of government where possible and providing government that is not only affordable but answers to the real needs of citizens and of the nation.

Mr. Speaker, I am sure you will concur with me that the range of initiatives undertaken by the government meets the objectives of fairness, eliminates wasteful spending and builds a more co–operative approach to a better future for Canadians.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, the member talked about the cuts proposed in governor in council appointments and mentioned a figure with regard to that. It is very interesting that Bill C–51, which was before the House before Christmas, adds governor in council appointments and Bill C–61, which just passed second reading yesterday, adds governor in council appointments.

• (1555)

I would like to know if this figure the hon. member presented was net of the new appointments that have been added or is this more Liberal doublespeak?

Ms. Catterall: Mr. Speaker, I thank the hon. member for his question. It gives me an opportunity to say that the world does not stay frozen in time and neither does this government.

Perhaps the hon. member wants to suggest there are no new and emerging needs where this or any government needs the wise advice of Canadians who bring special knowledge, special skills, special expertise and wisdom to the operations and the programs of the federal government. Or, where it makes sense, to open up new ways in which we can be advised and counselled by Canadians who are capable of keeping us informed and aware of broader issues than those we may address in this House. We welcome their contribution to the future of this country. At the same time we do not want to continue carrying out functions and making appointments simply for the sake of making appointments.

As I have said, we have a multi–stage process for getting rid of appointments which are no longer serving a purpose and agencies which no longer make a valuable or important contribution to the essential work of this government.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, once again, this member has brought up the issue of protecting the vulnerable. I suggest that the Liberals are trying to protect the vulnerable with fairy tales.

The difference between the Liberal approach and the Reform approach is that the Reform pragmatic approach is to take the necessary steps to ensure that we can protect those who are most vulnerable in our society.

This Liberal government by design is going to borrow more money in its lifetime to pay the interest on the money we have already borrowed, more money in its lifetime factored for inflation than we borrowed to fund the entire second world war. How in the world are we going to have the money to protect the most vulnerable?

The Liberals are simply trying to protect them euphemistically or with fairy tales rather than practically and by doing the things that need to be done to protect the vulnerable in our society.

Ms. Catterall: Mr. Speaker, the Reform Party often says that in generalities and yet proposes programs and program cuts that would make victims and casualties of women, children, the disabled, and seniors in this country. That is what its programs would accomplish.

For the first time in 20 years, this government is going to reverse that pattern which the member talked about of increasing interest payments, increasing debt and increasing the burden on the future. For the first time this country and this House are going to see action instead of promises.

This country is not prepared to sacrifice on the altar of short term economic need those who most need to have a stake in the future of this country, those who most need the opportunity to develop their skills and their talents and the ability to be fully part of the Canadian economy and Canadian society.

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, I have had several opportunities on the finance committee and elsewhere to tell witnesses the truth about the welfare program budget cuts that our party is recommending. There is no truth whatsoever to the allegation that we would not protect the truly needy in our society.

The OECD is a highly respected international organization of which Canada is a full standing member and has to approve its reports. It has said that Canada is an outstanding example of excessive generosity in welfare programs.

• (1600)

We are not talking about hitting the poor in this world and it is an untruth being told and repeated again and again here. We are talking about retargeting all the excessive spending that is going on. That is the truth. The rest is slandering.

Mrs. Catterall: Mr. Speaker, when I hear members of the Reform Party speak I sometimes wonder if they know any people who are poor, if they know any people who are vulnerable, if they know the women in my riding living in subsidized housing, working for minimum wage, supporting their families on welfare sometimes, trying very hard to raise children decently on an income of less than $12,000 a year.

I know those people. I would be happy to take the hon. member out to visit my riding to find out just how hard those people are working and what they need to support their dreams for the future and the dreams of their children.

It is also important to point out to this member and others in the Reform Party the cost of poverty. Getting our debt and deficit down does depend on ending poverty in this country. Poverty is expensive. Poverty costs. One out of every five children in this country is poor. That child is four times as likely to end up seriously ill than the child who is not poor. That means that one child simply because of poverty will cost the health care system in this country more than the other four non–poor children. We cannot get our debt and deficit under control unless we get people out of poverty.

Poor children are four times more likely to drop out of school. At the age of 15 they are out on the streets and five years later they have never held a job, they are living in poverty, they are perpetuating the cycle of poverty. That costs us money. When children in poverty drop out of school we pay the price. We pay the price in wasted lives and wasted productivity.

We cannot tackle the problem of the debt and deficit unless we tackle the problem of poverty in this country which costs us all every day.

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, I will be taking the full period of time.

I have to start by addressing the last speaker and speakers before this. Nowhere is there any fact saying that we are not going to take care of the poorest of poor. We are talking about a whole plan, having a plan. The economic management that the member talks about, economic management that is going to add $100 billion to the debt in the next three years, is not management, it is suicide. That is going to hurt those poor and that is what is going to lose these programs more than anything else we might do.

It is like the cab driver said last night when I was in the cab. He said: "I have heard it all before. It doesn't matter what happens in these elections. It doesn't matter because they are all the same. They get there and they are not going to change a thing. They don't have a plan. They are not dedicated. They don't mean it. They just go and do the same thing".

While we hear all this double talk and all this talk about the poor and the tears roll down the eyes, they do not have a plan. There is nothing there. There is nothing behind it. It is just all more talk and I agree with that cab driver.

I heard another speaker say that these were simplistic approaches. Voters want it simple once in a while. They want somebody with a plan they can understand, not a bunch of legal double talk, a bunch of on in the future some place we are going to handle this problem of our debt and deficit. They want it done now and they mean now, right now, and that is what we are here talking about.

I come back to why I even came to this job. There are times we all wonder why we are here. The reason is the government was not listening. It was a top down kind of process that we had here. There was spending and waste. All of us knew about it and all of us were disgusted by the waste that we talked and heard about.

• (1605)

It does not really matter, we thought, what party one elects and I am coming to believe that. It does not matter whether it has the PC tag or the Liberal tag. They are all so much the same.

We send good people from home and those good people all of a sudden come back and tell us what the party says is best for us, it is what the party wants us to do. We are so hung up on this undemocratic party process in this place.

Probably the worst day since I have been here was February 22 last year. I felt like wearing a black arm band. We had a finance minister who gave us a budget or whatever it was, but it did not address anything that the people had been saying since 1984. It did not say anything about the debt and deficit, about what our foreign creditors were telling us. It did not address anything.

The government members said it did not have time, that it had only been here for three months. It should have had that plan in place long before the election was ever called.

We each had that sunken feeling on the 22nd and we said we are not going to let that happen again. You are going to see our alternate budget. You are going to see it before you see the finance minister's budget. You are going to get a chance to compare.

I challenge—

The Acting Speaker (Mr. Kilger): I want to remind colleagues in the House to make all their interventions through the Speaker. Basically if we are using the term "you" it is to the Speaker and I do not think that is the intent. I ask members to keep that in mind.

Mr. Mills (Red Deer): Mr. Speaker, what I challenge is that the government, our Prime Minister and our finance minister go

on national television with the leader of our party and our finance critic and talk about and compare the two budgets, the budget of the finance minister and the budget that we are going to put out as an alternate. I challenge them to compare those in front of the Canadian people. That is what has to be done.

Let us go back to some of the history behind our problem. I have heard a lot here today. I have not heard a lot of people who seem to really understand very much or certainly could not communicate it to the people who really matter, the taxpayers.

In 1945 we had it pretty good. Europe was in shambles. Asia was in shambles and we were able to grow. We had no competition and we learned the good life. By 1965 we were well into the social experiment programs that we now all feel are threatened and are threatened because of the serious problem we are in.

We allowed government to replace family. We allowed government to replace individual initiative and we said government will take care of each of us. We will lead this good life. We will never have any problems.

What also happened then was that the other parts of the world rebuilt and started to compete. As they started to compete we had a cash shortfall. We had developed a system that we could no longer afford and therefore we started to borrow.

We continued to borrow. Members know where that has taken us today. We have a crisis. In 1984 we said we must change this government. Right across this whole land everybody said we have to change it. Except for a few of those sure seats, the Liberals were literally annihilated.

The belief was that the $289 billion would be dealt with and it would be dealt with now. By 1988 it was up over $390 billion and we were told we did not have time, it was a worse mess than we thought it was, et cetera. However, we were no longer believers in that sort of analysis, and so the birth of our party.

• (1610)

In 1993 we had a $489 billion debt and we were told the Liberals will come up with a plan, and so they did. From October 25, 1993 when the debt was $489 until the budget comes out this month it is going to be $550 billion. We have added another $61 billion to our debt. That is totally unacceptable. The people of Canada will not accept that. They are demanding that action be taken.

It is not good enough to say we will just add another $100 billion and then we will plan to get it under control some time in the future. That is not good enough. We have precipitated a crisis which we are being told about. The dollar is a good indicator. It was about 80 cents U.S. a year or so ago. Look where it is today and where it is going. We know where the interest rates were and where they are going today. Those are simply symptoms and warnings that we had better take action and it had better be soon.

The biggest threat to our social programs is from this debt and that is why we must deal with it. We must passionately convince the government that it must deal with it.

The double talk we have heard today, I am glad it was not from the finance minister or people from the finance committee. Hopefully they understand things better.

We are going to lose pensions, UIC, social programs and education. All of those things are going to be threatened. Not because of any party or because some members take the slash and burn position. They learned that about a year ago and they have not stopped saying it. We are going to lose those programs because of the debt and those interest payments. Then what happens?

There is foreign control. I think we should talk about that. We should look at what just happened to Mexico. Mexico has lost its sovereignty for probably 50 years into the future. Does Canada want to lose its sovereignty? Does Canada want to give up its control of water? We have to look at all of those things. Our sovereignty is being threatened by that debt and deficit.

What do our good friends across the way propose? They have floated trial balloons. They talked about raising gas prices 1.5 cents per litre. That should hit just about everyone, including those poor families trying to earn a living. It is going to hit everybody. That comes from the finance committee.

Taxing RRSPs, that is pretty good. We are encouraging people to take care of themselves and all of a sudden we are going to tax something that goes against this. Dental and medical plans, surtaxes and surcharges on income. Changing the GST to a VAT. Are we going to change that? How high is it going to go? A lot of people predict it will go to 12 per cent. Maybe 15 per cent would be a better number. That is going to hit everybody, not just the rich we so often hear about.

What about a carbon tax? Give it any name you like, I do not think it is dead yet. If any kind of unity is to be promoted in this country it had better be put to rest once and for all.

What are the solutions? There has to be a light at the end of the tunnel. There has to be. That cab driver we talked about has to know there is a solution. He cannot simply say there is no hope, I hate politicians, I hate politics, I have no use for them all. In a couple of ridings only 30 per cent of people voted. That is a disgrace. That is the frustration of people who are saying it does not matter anymore, you are all the same, you are not dealing with the issue. That is not fiscal management. That is no management at all.

The money markets are telling us very clearly to get our act together. They are telling us by the dollar. They are telling us by interest rates. They are telling us to cut spending, do not raise taxes, do whatever to encourage the country but do something.

The public is telling us a lot also. Listen to the messages the public is getting. On February 11 in the *Vancouver Sun*, a quote from the revenue minister: "Protest all you want, Canadians, but you are not going to change the final look of the coming federal budget". They are saying that they will listen to what the people are saying, but here is someone saying: "Protest all you want, Canadians. We are not going to change our minds. We are not going to listen to you".

• (1615)

We might just ask the member from Transcona what message the people gave him in Winnipeg the other day as they drove him from the stage. What was the message yesterday? What was the message in Toronto? What was the message in Vancouver? What was the message in Halifax?

The message is for the government to get its act together and cut spending. We hear: "Yes, we are going to. Yes, we will". We have heard that before. We have heard that for years and years and it has not happened. The public is saying that the government should cut spending, stop listening to special interest groups and stop waste.

I knocked on doors in some of the poorer sections of Montreal, for the benefit of the member who was talking about that, and the universal thing everybody said was: "Get rid of the Senate. Get rid of that waste. It is an embarrassment". I should have said the other place. They asked us to get rid of it or change it because it is not working.

Another item was MPs' pensions. They asked us to have the courage to lead from the top. They want us to do something and not get stand around making promises. For 15 or 16 months we have been talking about doing something. We cannot go after the public of Canada without doing something here.

They are asking us to do something about the perks and the GST the Liberals promised they would change. How about the international travel that goes on in this place and the parliamentary associations that are going on junkets every other week, heading off all over the place and maybe taking their wives for cost? That touches a nerve ending. Nobody wants to talk about it because it is something we can get away with; it is one of the perks because we have such low pay.

We could try to tell the poor people about whom the minister was talking about the pay MPs receive. How about the eight or nine levels of management versus those levels in a company? Companies right sized long ago. Companies got down to two or three levels of management. I challenge anybody here to go to big corporations and ask them how much management they have. They have two or three levels while this place has eight or nine levels of management protecting themselves. They are not going to be cut. A few at the top will go but they will not be cut down to anything.

Let us look at the other waste that goes on here. All of us go downstairs in the Confederation Building. Has anyone ever wondered why we have a round of marble seven feet in the air in the new renovations over there? Does anyone know how much marble costs? Why is it there? It is there because the bureaucrats are not use to trying to save any money.

A lot of waste goes on in this place. Let us talk about it. Anything would be better than the kind of waste we have. That is what taxpayers are demanding. They want us to get waste under control. The public has lost confidence in the government and politicians. It is saying that we should cut spending and have no new taxes. That message is everywhere.

That message is not just in Canada. That message is in all democratic countries around the world. They are sending the same message. We can learn that lesson. There are lots of places from where we can take examples. People are demanding results. People have finally taken control of the situation.

What would happen if we had a government that would listen and bring about those massive spending cuts that are essential and eliminate the waste that is going on? We would have the confidence of the people, of businesses and of international investors. We would have jobs. We would have growth and the economy would boom. There would be extra income, more money coming in from taxation, and we would be able to start dealing with the real problem, namely our huge debt.

• (1620)

Above all, to get the trust of the general public of Canada back we must enact legislation, a taxpayer protection act that puts a cap on government spending so that this can never happen again. We can never let government do this to the Canadian people again. We have had 30 years of this and it has to stop.

Let us examine what might happen in this situation. There has been a lot of speculating on the other side so I will speculate for a minute. Look at the old line parties first. Let us start with the PCs. To examine the PCs there are three books that might help us. I would suggest that *Beyond the Law* might be a place to start. *On the Take* might be another interesting piece of reading. *Underground Nation* by Diane Francis might be good reading too for finding out what has happened because of extra taxes. That pretty well takes care of the PCs. I guess last night confirmed that.

What about the Liberals? The Liberals started this whole thing. Of course they still feel good and are happy. They are saying: "Maybe we can grow our way out of this problem. It should be fine. Hopefully we will be okay".

Then we have the NDP. Its socialist Utopia has not worked any place in the world so we can dispel that.

We know the Reform Party must be different. We have a situation wherein it is the people versus the elite. Who are the elite? We have talked about the elite a lot before. It is the national media. Certainly it is the old line political parties, the bureaucrats at the top and in many cases big business and banks. Those kinds of people are all part of the elite.

What are the people saying about all of this? They are saying: "We won't take it any more. If you keep spending you are going to pay". The message should be loud and clear. The people's power should be obvious to everyone here but it is not. The last message was in the referendum. The elite to the very last person said: "Vote yes. It will be good for you". However the people said: "No way". The people found out about it. They worked on it, got information and made their decision. They were not heard that well, though.

In 1993 there was another message. We know what that resulted in. What do we have to look at? The people are saying reduce and the government is saying increase. On pensions the people are saying eliminate and the government is saying modify. On the Senate the people are saying abolish and the government is saying ignore and promote. On RRSPs the people are saying raise and promote and the government is saying: "Maybe we will tax them". On jobs the people are saying: "More money should be in the hands of people" and the government is saying: "We will have infrastructure and more bureaucracy. The government can, after all, still take care of you".

In conclusion I quote from Terry Moore, a radio announcer in Calgary:

> We have had it, and you have got to get a handle on this and attack the debt and deficit in Canada and quit playing political games with our future, our children's future, our grandchildren's future and our great–grandchildren's future—because if you don't pull it together, this country will go down the tube.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I listened with interest to the member's comments. It is fair to summarize by indicating that members of the Reform Party will continue to raise spectres, rumours, innuendo and tax revolts. They will continue to say they are going to do many good things.

However, the important point is that Reform Party members have been tinkering around the edges. They have ignored and failed to explain to Canadians how they are going to deal with their $15 billion cut in social programs. They have not articulated a specific initiative by which they would deal with social programs. They have not told Canadians the truth about what they really have planned for Canada.

• (1625)

We have a source for what Reform Party members plan. I want to give an example. It is articulated in their minority report included in the Standing Committee on Human Resources Development report that was tabled last Monday. I refer the House to their first three recommendations.

The first concerns the guaranteed income supplement in which 40 per cent of seniors participate. They are recommending increasing the age of eligibility. On old age security they are saying: "Eliminate old age security for seniors who have above average incomes". On the Canada pension plan they are recommending raising the retirement age, raising the age of eligibility.

It is fairly clear that the true agenda of members of the Reform Party is slash and burn. If they do not believe our seniors represent a significant portion of the poor in our country they have lost touch with Canadians.

Mr. Mills (Red Deer): Mr. Speaker, if I were the finance minister I would say to wait until next week, but I will try to answer the question.

The member can wait until next week but he will see that those in need have to be totally taken care of. People at the upper end who do not need it are quite willing to accept their share of the responsibility to get the country going. They are saying that as long as it is equal and fair they will take those cuts. However the people at the bottom will have to be taken care of. The most needy can never be out on the streets, as the member would like to portray. Next week he will see the exact details of what we are talking about.

[*Translation*]

Mr. Jean Landry (Lotbinière, BQ): Mr. Speaker, I listened with great interest to my friend's presentation. I agree with him, our financial situation is critical, but there are solutions nevertheless.

A while ago, I heard him speak of the Progressive Conservative Party which I believe is part of history. I think that when you are really optimistic, whether you are a government party, a person or a group, you look to the future. Therefore, we must widen our horizons and determine what aspects of our taxation system can be changed.

For example, since we are here to represent the population, I think it is important that we propose solutions whenever we criticize. I do believe that together we will succeed in addressing the problem of the enormous deficit of our country.

[*English*]

Mr. Mills (Red Deer): Mr. Speaker, I thank the hon. member for his question.

I agree with him 100 per cent that we should not be tinkering around the edges and that we should look at some major reforms, certainly a flat tax system, a new system of taxation that is much

fairer than the present tax system with all its exemptions and exceptions. This is something Canadians are asking for and the House should be entertaining as soon as possible. It should be a part of the exercise as we look to fix our finances.

[*Translation*]

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, I also listened closely to the speech of the hon. member. Like all the members who took the floor today—I have been sitting here all day, although I never intervened—I agree that the Canadian situation is very difficult right now.

I also think that the government has a tendency to study, to set up committees, to ask for reports and, generally speaking, to postpone any decision. For 20 years we have heard the same speeches from the various ministers of finance. We could take any of them and reissue them, they are all the same.

There are two opposition parties in the House. The Bloc Quebecois proposes a very clear option: let us review completely the Canadian taxation policy. We sincerely believe that without a complete overhaul of taxation we are going nowhere fast.

The Reform Party's option is to cut deeply where it really matters, into social programs. Unlike my Liberal friends, I do not believe that our Reform colleagues are fundamentally evil. I think they have done a serious economic study of the situation.

• (1630)

[*English*]

If the Reform and the Bloc parties do not do anything, Canada is going to go bankrupt right away. We have to do something.

I would like to ask a question of my colleague on an economic matter. Most people know that we want to make Quebec sovereign and we seriously think that this will become true within a few months from now.

Most Canadians actually believe in two assumptions concerning Quebec. The first is we are a bunch of troublemakers, politically speaking, because we are never happy with what we get. Second, we receive much more money from Canada than what we put in. A lot of people believe these assumptions.

I would like to ask this question of my colleague. Does he not think that a sovereign Quebec would be part of the solution for Canada, depending of course that we take out of Canada our fair share of the debts and assets? That is exactly what we intend to do. Would this not be part of the solution for Canada?

Mr. Mills (Red Deer): Mr. Speaker, certainly we agree with a lot of the things that were said.

More important, what I have learned from visiting Quebec a number of times is that the problems in Quebec are the same as the problems in Alberta or in any other part of Canada. We are all the same. We are concerned about the debt and deficit. We are concerned about crime. We are concerned about all of the same things. We are the same. That is the first myth that we have to dispel, that there is any difference between us because there is not.

The people in my part of the country do not hate the people of Quebec. The people in Quebec certainly do not hate the people of Alberta. We need to dispel these myths.

Economically, I believe firmly that as members of the G–7, in negotiating world trade as we are now actively doing, that the bigger the unit the better we are going to be economically.

I hope that the people of Quebec look at the big picture. We are going to be a trading unit of the Americas. I have said that in this House a lot of times. North and South America together are a trading unit. The smaller the unit the more difficult it will be balancing our budgets and taking care of our people.

We have to look at the big picture. The big picture says that the EU is going to get common currency and is going to come together more and more, that the seven tigers of the Orient are going to come together more and more and that the Americas are going to come together more and more. Rather than thinking of little units we should be thinking about bigger units. That is really the success of this country. This is the best country in the world and we need to save it with Quebec.

Mrs. Jane Stewart (Brant, Lib.): Mr. Speaker, I would like to say that it is a pleasure to participate in the debate on the motion tabled by the hon. member for Capilano—Howe Sound.

As a member of the Standing Committee on Finance the items that are included in the member's motion have been front and centre on my personal agenda for well over a year. There is a reason for that. The reason is that our government understands and takes very seriously the fiscal circumstances that face this nation. We are committed to working responsibly to manage the deficit and the debt and to responding to the needs and the interests of Canadians.

We are doing that in a very dynamic way. It is that process that I would like to refer to in my comments here this afternoon.

About a year ago the Minister of Finance came to us in the House and invited us all to participate in the first ever prebudget debate. He invited us as members to bring the concerns, the issues, the strategy, the direction of our constituents, Canadians, to this House of Commons and share them with him.

That process worked very well. That debate was very energized. It was informative. I know that the minister took a lot away from that day in the House and included it in his subsequent budget, our first budget as a government, that I would remind the House included a number of things. It included issues of tax fairness where we got rid of the $100,000 capital gains exemption. More important and more particular, for every dollar that we raised in revenues there were $5 saved in spending cuts, a five to one ratio.

• (1635)

The process has continued in a very dynamic way. In October 1994 the Minister of Finance came to the Standing Committee on Finance and presented a very articulate and clear understanding of his view of the economic forecast for our nation. At the same time, he talked about the fiscal circumstances that we faced then and face right now. He enjoined the members of the committee to take this information and share it in detail with Canadians and to begin the first ever prebudget consultations.

That consultation process started here in Ottawa with a panel of experts from the economy, from banking, from the social sector, from the NGOs. We sat around the table and talked about the economic assumptions in the minister's papers. We talked about the strategies of spending cuts versus revenue measures. We talked about the spending cuts that might be appropriate, those that would be inappropriate, the tax measures that might be appropriate and those that might be inappropriate.

From there and armed with a lot of information, the committee members fanned out across the nation. We talked to hundreds of Canadians. We went to communities like Lunenburg and Hamilton. In Hamilton I had the great fortune to chair the session.

We did something a little different. Rather than just hear individual witnesses, we encouraged Canadians as individuals to come to sit with us around the table. They took a very short time, two, three minutes, to position their particular areas of interest, their particular concerns. Some of these people came with presentations from groups. Some came merely as individuals interested in the process.

We sat together and we encouraged and invited them to talk with each other, to do their best to build consensus, to try to find and agree on the things that Canadians say we need to do to deal with the fiscal situation that we face.

As this process continued and coincident with it, members and colleagues of mine went back to their ridings and had town hall meetings with their own constituents, asking the same questions. Tell us about the assumptions. Tell us about spending cuts versus revenue measures. Members brought that data back to the minister who I know will read them and respond probably after the budget when he can not only comment on their suggestions but on his thinking around where he agreed and where he made some different choices.

I had one of these meetings. It is my second annual meeting and what I found in my riding was very interesting. Last year, I had 20 people out to my forum. It was a very interesting and informative night but only 20 people were there.

This year there were over 100 people. The message to me from my constituents was that they appreciated the process the government was taking. They believed that the government is listening to them, that it will take what they are saying and deal with it to build a consensus, a balanced strategy to help the country restore itself to fiscal stability.

The other thing that proved to me that this was so was that the whole thing was done without cost. The room was donated. The microphone system was donated. The coffee and donuts were donated. The community said: "This is important to us. This is significant for us. We believe in this process".

We did not have to charge Canadians $1 a shot to phone in on the 1–900 number. People were invited to come and share free of charge their concerns and their interests.

• (1640)

Over the course of the last five months we have been engaging Canadians in a very participatory and involved strategy. It makes a difference. Canadians want to be a part of this. They want to be heard.

What are the messages we have heard over the last while? Very clearly we found consensus that we must deal with the deficit and the debt. There is no question. Second, there is general agreement that it is far preferable to focus on the spending side and to reduce spending than it is to do a lot on the revenue measures side.

When I gave a speech in my riding last week I said to my constituents, "We are listening. We hear you. We understand the importance of spending cuts. But please understand what you are saying. You may think that your tax dollars are being burned in the fireplace and going up in smoke. Yes, there are places where we have to do a better job, where we have to cut back and where we have to be more efficient, but there are many programs that are helping Canadians". Those programs are helping groups in my community. They may be cut. As a result we have to be prepared to be compassionate.

With that in mind I would like to turn to some of the recommendations which were made by the standing committee. The first recommendation, which I strongly agree with, is that

we must deal with the issue of MPs' pensions. I look forward to the President of the Treasury Board presenting that legislation, sooner rather than later, because I believe that as we members have to show as these spending cuts come into effect—and they are going to be an impact—that we too are part of the process.

The other thing which we recommended as part of the committee report was that we must start with government operations. Government must take the responsibility to look at itself, improve its efficiencies, improve the quality of the programming that we are providing to Canadians and do it less expensively. We have to understand there are going to be cuts in the public service. People are going to be affected.

I have been involved in downsizing programs in the private sector. There are good ones and there are bad ones. The ones that work recognize that the people who are affected really have nothing to do with the growth in the business or in the government. They are not guilty; however, they are the ones who will have to make changes.

I know that the Canadian taxpayer as a good employer will want to provide to the people who are leaving packages which allow them to leave with respect and dignity. These packages will cost money. It would be totally inappropriate for me to say that there can be no new spending in this budget. We have to recognize that for longer term gains we have to have spending in the short term to recognize the good work that our public servants have done. Certainly in my riding I have been well supported by the correctional people, by my human resources development people and by Industry Canada, those in the regional office, and I thank them. We must deal with that with compassion.

As we talk about the strategy of spending cuts versus tax measures, I would like to point out that in the jurisdictions that we hold up as the best jurisdictions for spending control—and I am thinking of Alberta as one—there have been revenue measures. In Alberta the increase was in medical premiums of about 50 per cent. There were other increases in fees and in licences.

I know that the hon. member for Capilano—Howe Sound talked once in an intervention about loopholes. He said, "Those are taxes. They collect money. If it looks like a tax and it collects money like a tax, it is a tax". These fees and these revenue measures could be determined or viewed as taxes.

My point is that in jurisdictions where they are managing their deficit and debt there are revenue initiatives which go along with and are part and parcel with the spending cuts.

When we look at these messages we now consider what it is that the minister is going to do in terms of his next budget; the action that we will see as a response to this consultation and these messages. I do not know what he is going to have in his budget. He has been very good and done a good job as a minister in keeping those things close to his vest, as he should.

• (1645)

The thing I need to point out, which has been pointed out on a number of occasions in this House today, is that we have to, as I believe the minister will, deal with this very difficult agenda with compassion, generosity, fairness and balance.

Strangely enough those words are clearly absent from the member's motion. There is never a reference to how it would be done. Perhaps that in itself is the difference between the Liberal Party and the Reform Party. While Reform members protest that they will not hurt anyone, they never use words like fairness, balance and compassion. Those are real in our society and are things which I am committed to and which I believe in.

In closing I would like to say that experiencing the cross–country discussions, talking to Canadians, and hearing their perspectives was tremendously important for me to understand the differences that exist across this vast nation.

The last budget was brutal in Atlantic Canada. Communities that lost their defence installations were hit very hard. It is my expectation that in the next budget some of the rest of us may start to feel that pinch. It is going to be a challenge for us as a government to continue in a positive fashion to make sure Canadians do not go without, but that we do manage things more effectively and efficiently, that we recognize where government can play a role and where other partners in society can fill the void or maybe take over.

These are challenges that will make it very interesting for us over the course of the rest of our mandate. I very definitely believe and I would encourage the Minister of Finance to continue his dynamic and evolving process in this important area.

I have to make reference to one particular event that happened. Over the course of our discussions many Canadians said: "You know, these are tough times and I really do not want more taxes, but by golly, this country is important to me. We have to make sure it stays together. If there is a way of me providing funds that will go directly to maintaining our country, to reducing the deficit, I would be willing to participate".

Do not get me wrong. I would never suggest this is a strategy that will help us out of our problem. What made it important to me was the fact that I received a cheque from one of my constituents made out to the "save Canada and deficit reduction fund". Interestingly, I discovered there is an account this money could be sent to. I have sent it on and expect he will receive recognition for his contribution.

The message to me is that Canadians do feel passionately about this country. They do want things to be better. They do believe this government through balance, fairness and equity has a plan that will work.

I look forward to the minister's budget. I have every confidence that he is listening to the Canadian people and will respond to their needs and to the needs of others who have an influence on our domestic economy. With that I close and thank the member for providing us with the opportunity today to talk about this very important subject.

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, I would like to thank the member for her speech, although I basically disagree with her fundamental premise. I would like to make a comment and have her respond.

Having worked with her on the Standing Committee on Finance for a while, I know she is sincere in looking for solutions. As an individual who obviously by her considered remarks is very intelligent, I would like to offer a suggestion as to how to find that solution.

• (1650)

A lot of people know that if you define the right problem or if the problem is defined correctly, you now have at least 50 or 60 per cent of the solution because that is where you will focus your efforts.

I would present the case that this government has not identified the right problem. We have a problem in this country with the deficit, debt and the interest costs to service this debt. It is the debt that is causing the high interest costs and it is the high interest costs that is the number one problem in this country. Therefore the deficit is part of it because it contributes to the debt which increases the interest.

I will go very slowly. There are three parts to it: debt, interest and deficit. The government says it is the deficit that is the problem, that if we reduce the deficit, we will solve the problem. Wrong.

At the end of three or four years, this government's program will have added $90 to $100 billion to the debt which then would make the interest costs rise regardless of this 3 per cent of GDP. That is what everybody is saying in the world economy. That is why they are concerned about the toughness of the cuts necessary. It is adding to the problem.

What this government is doing is adding to the problem, thinking it is solving it by defining the wrong problem. That is why it is paramount that we get to a zero deficit so that we do not keep adding to the debt. It is the interest cost that is going to hurt those very people who the government is concerned about, the very people the government wants to help. The government will raise taxes to help and it will hurt the economy even more.

I am saying if we identify the interest costs to service the debt as the problem that then we will come up with different solutions and more of the solutions that the Reform Party is putting forth. I would like the member to make a comment on that, please.

Mrs. Stewart (Brant): Mr. Speaker, I have enjoyed working with the hon. member on the finance committee.

He points to a very important matter and I referenced it in some of my last comments. Not only do we have to understand and look at the things that Canadians need, but we have to unfortunately look outside our nation to the other people who have an influence on our current situation. What we find is that if the foreign markets are comfortable with us, if they are confident that what we say is what we mean and it is what we are going to do, then they back off and leave us alone a little.

We have worked very hard to indicate very clearly to the outside world that we are committed to price stability. Thank goodness we have been able to maintain inflation at very low and sometimes negative rates. That helps us in dealing with outside responsibility.

The other thing we have to do is be absolutely clear on what our strategy is. We have been. Our strategy has been to say that we will get the deficit to GDP ratio down to 3 per cent come—excuse my French but the minister said it—hell or high water.

If the minister can confirm that and make sure that is our strategy and that we do not waiver from it, the confidence it creates outside the nation is extremely helpful to us. That is because it has been difficult for us to have the best economic growth in the world, to have inflation managed efficiently, to have unemployment reduced significantly.

I expect after the implementation of our next budget it will again be clear to the markets that we are committed to this, that we mean what we say and that we will do what we say we are going to do.

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, I appreciate the hon. member's speech. It was full of compassion. She also argued that she had a monopoly on compassion, that the Reform Party had no compassion whatever.

I have been in this business of arguing over social and economic policies for over 30 years. We agreed a long time ago that discussions over who is more compassionate will lead nowhere. I assert herewith that I am more compassionate than that member and every member of the Liberal Party.

The issue ought to be not who is more compassionate, but what is a rational solution to the problem so that we can give real expression to our compassion. That is the issue. This is rhetoric which leads nowhere. This country is going down the drain and we have to have practical solutions to the problems we face.

• (1655)

I also would like to make a brief comment on the member's description of the consultation process. I sat through more hours of this than I ever want to think about and travelled more miles than I would like to.

Most of the time I found that the witnesses said: "I do not know anything about the budget making process. That is your business, but let me take the next 20 minutes and tell you why the money I have been getting from the government is the best way the money could be spent and why you must never touch my program". Others had been coached by the intellectual and political left and had patent solutions that were obvious demagoguery from lowering the interest rate, to taxing the rich, taxing capital.

The *Globe and Mail* had an editorial saying that this process was dividing the country into hostile camps. I have not got the same impression, that this was a fruitful exercise in the way in which the opposite member was talking about.

Mrs. Stewart (Brant): With regard to the initial comment I would say that perhaps the member doth protest too much.

He is saying that he is compassionate and I am sure he is. I still stand and say nowhere in the motion doe I see and never do I hear the words fairness, balance and equality. I am sorry but without those words I do not know how anyone can pretend to be compassionate.

As far as the process goes, perhaps compassion has something to do there as well. Quite frankly to hear the message that Canadians are giving, you have to listen. You have to be patient. You have to recognize that the venue is not one they are particularly familiar with.

Yes, the hon. member is right. There are many people who said: "By golly, cut the deficit and look after the debt but do not touch me". I do not necessarily blame those people because they have only had one year of experience with us. They may still be thinking back to the old government, the government they could not trust and they had to say: "Do not touch me, because I do not trust you for not touching me". We are a little different from that. We do listen.

I suspect the next time we have these prebudget consultations which will be next year, we will hear a lot less of that. We will be better at the process. Canadians will be better prepared to be involved and understand the role that they can and must play.

I think the process was wonderful. It is a step in the right direction. It is an opportunity to give Canadians the governance back to them, to let them be part of this very important thing we call governing.

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, the intervention by the member while eloquent reminds me of a song from "My Fair Lady" that says "words, words, words, I am so sick of words".

Just talking about equity and compassion and fairness is all very nice, but saying it does not make it so. These words keep rolling off the tongues of members opposite as if they have a corner on knowing of compassion and fairness and equity.

The Liberals have no plan to present the people of this country. In the short time they have been in office they have run up our interest obligation almost $2 billion. Every year forever because of their overspending we will have to pay almost $2 billion more in interest, just for one year. That is $2 billion that has been taken away from the poor people of this country, the people who need help, the services of this country.

Yet they are the ones who talk about giving fairness and equity when they are the ones taking the money and using it for interest because they cannot control their spending. It is also a government that has yet to stand up and give a plan to the people of this country to break the gold plated pension plans that they are getting. Where is the fairness in that?

• (1700)

Where is the fairness from a member talking about fairness, taking a pension that no other Canadian can hope to get? I ask this member to show the kind of fairness that she—

The Acting Speaker (Mr. Kilger): On a point of order, the hon. parliamentary secretary.

Mr. Walker: Mr. Speaker, I know that we are generally pretty generous with each other in the House but there is an obligation with members to be careful in the way they insinuate such things as people receiving pensions when they are sitting in the House.

Mr. Speaker, I would like you to actively encourage people to follow the public record more carefully.

The Acting Speaker (Mr. Kilger): With the greatest of respect to the member, that is not a point of order. I will return to the member for Calgary North. There are a few minutes left in the intervention of the member for Brant. Has the member for Calgary North concluded?

Mrs. Ablonczy: Yes, Mr. Speaker.

Mrs. Stewart (Brant): Mr. Speaker, I will respond quickly to the hon. member and say wait for the budget.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, mine is more of a complaint than a question.

The hon. member said "pardon my French" and then went on to make some expression about "hell and high water" which I

think was rather derogatory and indicates that the French language is used in a derogatory way.

I wonder if she might withdraw that statement.

Mrs. Stewart (Brant): Mr. Speaker, I sincerely thank my colleague. I would be glad to have that removed from the record. It was an inappropriate comment. I appreciate that being drawn to my attention.

[*Translation*]

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, this afternoon, I am happy to speak to the motion presented by the Reform Party which is supposed to be trying to provide the finance minister with some solutions, answers, and ideas on how to cut government spending and shift the fiscal burden.

Of course, I suppose that, by the very nature of its name, the Reform Party has set out to reform Canadian institutions. This is the reason why it is called the Reform Party. Before finding solutions to all of Canada's financial ills, one should find their causes.

I am going to give a brief background, starting in 1970, when Mr. Trudeau's Liberals were in office. I remember well that in early 1970, I believe it was in 1969, the federal government had a budget surplus. One must assume that the Liberal Party was not happy with the situation and that, with characteristic generosity, it found that Canada was not progressing fast enough on the economic and job creation front. In 1972, the deficit really started building up with Mr. Turner and under Mr. Trudeau.

The then Liberal government decided that the only way to create jobs and to have a decent standard of living was for the federal government to interfere in just about every area. So it started borrowing money and the deficit started growing. In 1972, 1973 and 1974, the deficit was respectively $5 billion, $10 billion, $15 billion and then $20 billion. It kept on growing well into the 1980s. In 1972, 1980, and especially 1984, we had huge deficits.

From 1972 to 1980, the government used borrowed money to create an artificial economy. It borrowed in order to pour large amounts of money into our society, which resulted in the economy becoming completely artificial. It was not a normal, natural economy. It was borrowed money that was injected into our society so that people could spend, which in turn led to job creation, but all that job creation was artificial.

• (1705)

Spending borrowed money created an artificial economy. This overheating of the economy generated inflation, which lasted several years. Members will recall that in the years 1975–1976, the annual inflation rate varied between 6, 7, 8, 10 and 11 per cent. Such high inflation was not normal. But instead of cutting expenditures at that time, the government kept borrowing, which continued to create this overheating of the economy.

What solution was available to the governor of the Bank of Canada? He had only one solution, as he said himself, and that was to raise interest rates. And the government, as ignorant then as it is today, continued to borrow money, thereby creating inflation.

So, in 1980, interest rates went up as high as 20 per cent. It ruined a large percentage of small and medium size businesses in Quebec. It created hardship and unemployment. It created impossible situations. People were discouraged. People lost hope, particularly in Quebec where there are a lot of small and medium size businesses.

The result, in 1980, was a horrible economic disaster. The government, which had not found a solution, tried to correct its mistakes by borrowing even more, putting in place programs to save the economy. It kept injecting money into our society to try and protect the poor, and it was right. Having created an economic disaster, it had to do whatever it could, so it then injected, between 1980 and 1984, some $100 billion in borrowed funds to try to save the economy and avoid a crisis like the one of the 1930s. So more money was injected to help people who the government had just put out of work by its sky high interest rates. So much for the federal government.

In 1984, when I was with the Conservative party which was elected, the federal government had tallied up an accumulated debt of $175 billion. It had completely lost control over its spending. Revenues were of about $70 billion and expenditures of about $110 billion, and at the time Mr. Lalonde had predicted a deficit of some $39 billion for 1983–84; the largest deficit in Canada's history. People were saying, "We are bankrupt. It makes no sense. We have lost control over spending in Canada".

When I hear members of the Reform Party refer to this today, they might do well to remember that this is nothing new; this federal system does not work, it no longer works, it is a big mess.

Returning to 1984, the deficit was $38 or $39 billion. We had completely lost control over spending. On 4 September 1984, the Conservative government took office declaring, "We have to get out our axe. We have to make cuts".

At that time, the Conservative Party was similar to the Reform Party in terms of its culture and habits. It had more or less the same policies. It was a party pretty much of the right. People said that it would clean things up, that it was made up of people with a sense of responsibility. They said the Liberals had made a mess in the previous 20 years and that the Conservatives would put a stop to things and fix Canada up.

Well, it was very difficult for the Conservatives, because the debt was extremely high. The Liberals had made a lot of long term commitments. It was therefore very difficult for the Conservatives to cut.

• (1710)

Nevertheless, the economy grew between 3 and 5 per cent from 1984 to 1988. It would have been very easy to cut expenditures by $5, $10 or $15 billion a year, and we would have had economic growth at the rate of 2 per cent, probably, instead of 4 to 5 per cent. This would have been a normal rate of growth. The economy would have been sound and natural, not artificial. Public finances would have been put in order.

However, the federal system does not work this way. The federal system is governments in power, which want to show their electors—and I have seen it, I have been there—that expenditures cannot be cut, because people had to be shown that the federal government was useful and necessary. Money just had to be spent to prove that the government was indispensable, that federalism was alive, and that, without federalism, we could not function and exist as a country, without federal spending. A government always has to justify itself to the people and it generally does so by its spending.

If the people do not get anything, they believe the government is useless. So, what is needed is a government sufficiently strong to say what its role is and what the role of the provinces in various sectors is.

But no! Because the federal government had the power to spend, it continued to borrow, continued to spend in order to prove to Canadians that federalism was the solution, and that was the only way to justify federalism's existence.

Therefore, by 1990, we were faced with the same problem. We had to raise interest rates because the Conservatives did not cut spending enough and set off inflation themselves and we were back at square one. In 1990, interest rates were increased to cause a recession. Intelligent, is it not? What a smart government. We created the problem ourselves and we aggravate the situation by saying: "We created inflation ourselves so, now, we will increase interest rates to slow the economy and create a recession".

But this time, people were not deceived. A short time before, they had just lived through a terrible recession. And people stopped trusting the federal government. They still mistrust the federal government. The recession has lingered since 1990. It is now 1995. People have lost faith in the federal government, have lost faith in the future and have lost all hope. There are more and more family problems, young people are becoming more and more desperate, they have no hope for the future because over the past 25 years the federal government has not learned how to assume its responsibilities in order to prove that it is indispensable.

And it was Trudeau's policy, that of the strong central governments of the Liberals of today and of the past, which has led Canada to bankruptcy. Canada is bankrupt, pure and simple. Thus, now that we know what we did wrong in the past, other problems have emerged, of course.

I was forgetting another problem: that, in this Canadian system, we have a structure designed to administer perhaps some 300 to 400 million people and there are now 28 or 29 million people in Canada. We have 11 political powers, 11 governments. There is a socialist government, an NDP government, in Ontario; there used to be a Liberal government in Quebec; there was a Conservative, then a Liberal government in Ottawa, with contradictory policies in most cases, so that the system cannot work.

• (1715)

At any one time, there is a government getting ready for an election. Since there are also Liberals in Ontario, the Liberal government in Ottawa tries not to hurt its Liberal colleagues in Ontario and vice versa. This means that the federal government never takes action, never does the right thing, never acts rationally, so that the country cannot function.

Let us stop putting our heads in the sand and believing that Canada is the country with the highest standard of living in the world. Such a claim is ridiculous and deceives people. Canada is now considered to be a third–world country in terms of its debt.

We are now considered to be at the same level as the third world, but we still call Canada a rich country. I thought that the way to evaluate a business is to look at its assets and liabilities. Canada is now considered a third–world country in terms of its debt. Let us stop putting our heads in the sand and look reality in the face.

That is why we in Quebec think that extensive decentralization is the key to saving Quebec and even Canada. Canada stands at the edge of the abyss but can be saved through extensive decentralization. We started to talk about it with the Meech Lake Accord, we said that we had to decentralize, we said the same thing in Charlottetown, and Canadians said no. Canada's future lies in small sovereign countries.

We in Quebec want to achieve sovereignty because we believe that with a single government and a smaller country, we will be better able to succeed. It is easy to understand. We are saying that in a small country with only one level of government, that government, the universities, as well as business and union people can arrive at solutions together. We will be able to set a joint economic and social policy for the mid and the long term.

There will only be one government, instead of 11 different ones constantly fighting and implementing conflicting policies. We will work in harmony. We feel it is the only way to get out of this mess. As Quebecers, we do not want to sink with the rest of a

country, which has been mismanaged for a quarter of a century and is now bankrupt. I am not exaggerating when I say that we are bankrupt; I am merely telling the truth.

The Reform member who spoke earlier was quite right when he said that, in Canada, the accumulated debt stands at $1.2 billion. That figure includes the debts incurred by the federal, provincial and municipal levels of government, as well as by private companies. We are currently paying $100 million per day in interest to foreign creditors.

Surely we must have borrowed enough money if, every day, $100 million leave the country to pay the interest on foreign loans. We could do a lot with that money. Why is that? It is because the federalist structure did not allow us to manage the country in a way that would have been beneficial to everyone.

Consequently, we are struggling with this serious problem. As Quebecers, as members of a nation speaking the same language, sovereignty is the only option. Our culture is different from that of the rest of the country, whether we are talking about financial institutions, artists or creators. We are simply different. As a small country, if we work together, we will be able to have our own legislation, collect our own taxes, spend according to our priorities, and we will undoubtedly be better off. It is with that in mind that we embark upon our plan for a sovereign Quebec. We do not have anything against anglophones, Ukrainians, Italians or Jews. We do not have a grudge against anybody. All we want is to survive. We just want to keep at least a decent standard of living, which we will lose if we stay within the Canadian Confederation. It is with that in mind that we intend to embark upon our plan for a sovereign Quebec.

• (1720)

The future belongs to small countries. We will negotiate and we will succeed. I can guarantee Quebecers that even the hon. member from Quebec, on the other side, knows I am right and agrees with what I have just said. But, unfortunately, he will not accept this daily reality.

What I say today does not all come from me. In the study which was carried out by the Bélanger–Campeau Commission, in 1992, experts clearly said that there was only one solution, that is, that Quebec must recover the great majority of its powers. If not, it will have to become sovereign or risk losing its standard of living and becoming poorer and poorer. Since the rest of Canada said no, this leaves us with only one alternative.

In matters of public finance, changes of all sorts are no use. There is only one alternative for Quebec, and for the rest of Canada, that is, to have a sovereign Quebec, an economic association open to the world. This is the only way we will save Canada and Quebec.

Thank you, Mr. Speaker, for this opportunity to speak this afternoon. I am convinced that some federalists from Quebec, on the other side, have understood some of the matters I have discussed this afternoon.

[*English*]

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, I have a couple of comments and then a question for the hon. member who has just spoken.

The hon. member gave a very good history of government incompetence in the terms of fiscal mismanagement over the past 25 years. He has proven to be very accurate in that regard. Certainly some members of the cabinet from the governing party have played an important role over this time period including the Prime Minister who was finance minister in a former Liberal government.

The member also said that it is this fiscal mismanagement and the financial condition of Canada that would drive Quebec out of this country and is leading Quebec out of this country if the referendum is successful.

The hon. member said that under these conditions of financial mismanagement the federal system in Canada does not work as it is now. I absolutely agree with that. The federal system in Canada does not work as it is now. I would like to ask the member a question. I am going to put some "ifs" into the question.

If governments over the past 30 years had been more fiscally responsible, if the federal government had left the powers that rightly belong to the provinces under the Canadian Constitution in the hands of the provinces, and if each province were given control over language and culture, would this member be sitting as a separatist in this Parliament? If those conditions had happened, would he be sitting in this government trying to lead Quebec to become a separate country? I am asking the member to look back.

The Acting Speaker (Mr. Kilger): Before I ask the member for Longueuil to reply, the pages have reminded me that I have been delinquent.

• (1725)

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 Bourassa—immigration; the hon. member for Yukon—violence against women.

[*Translation*]

Mr. Leblanc (Longueuil): Mr. Speaker, I am glad to be asked this question. The member said there were several conditions. Yes, of course, there were several conditions. However, I want to point out to the Reform member that we have been working hard

for 10 years and, personally, when I was a member of the Progressive Conservative Party, I worked hard to get approval for the Meech Lake Agreement.

I can tell you that we worked for two and even three years, because it took three years, a lot of discussion and efforts, to get this agreement approved. Let me remind Reform members that we spent almost $500 million. The Canadian government spent almost $500 million to try to explain how this country could be managed. The overall process, the ads, the whole thing cost almost $500 million and took several years. In the end, the federal government and English Canada did not want any changes.

So, do not say we did not try. We did and we spent a lot of money we did not even have. We borrowed to try and get approval for this agreement and it was rejected. What else can I say, we did everything possible. Mr. Mulroney put all his heart into trying to renew Canada, but he failed. Maybe the Reform Party will succeed, I do not know, but I have lost faith. Any way, I can tell you that we tried our best, but we failed.

Do not try to convince me that I made a mistake in becoming a sovereignist member in this House. From an economic standpoint, it is a matter of life and death. I believe, and I will repeat it, that the only solution for Quebec is to become a sovereign state, to collect its own taxes, to make its own laws, to sign its own treaties and to have an open economic association with the rest of Canada, just as we have today. If Quebec continues to do business with the rest of Canada after it achieves sovereignty, there is not one Canadian that will see a difference. People from Montreal will continue to go to Toronto to do business, and people from Toronto will continue to come to Montreal just as they do now.

It will not change a thing. The only difference is that we will have only one government, we will have only one set of laws, we will collect our own taxes, we will spend according to our own priorities and we will make progress. And the rest of Canada will also benefit from that because a strong Quebec will share its wealth with the rest of Canada and help Canadians to continue to live well. We will stay good friends.

I can assure you that I will continue to ski in Whistler and I will feel very good about it. I have no problem with that. It is in that sense that we will succeed in helping the rest of Canada to survive economically so that it does not become a kind of third world country, as we already are in terms of our debt.

[*English*]

The Acting Speaker (Mr. Kilger): It being 5.30 p.m., pursuant to Standing Order 81, proceedings on the motion have expired.

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

The House resumed from February 9 consideration of the motion.

The Acting Speaker (Mr. Kilger): It being 5.30 p.m., pursuant to an order made Thursday, February 9, the House will now proceed to the taking of the deferred division on Motion No. 20 under government business.

Call in the members.

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

(*Division No. 158*)

YEAS

Members

Adams	Alcock
Anderson	Arseneault
Assad	Assadourian
Asselin	Augustine
Axworthy (Winnipeg South Centre)	Baker
Bakopanos	Barnes
Beaumier	Bellehumeur
Bellemare	Bernier (Beauce)
Bethel	Bevilacqua
Blondin–Andrew	Bodnar
Bonin	Boudria
Brien	Brown (Oakville—Milton)
Brushett	Bryden
Bélair	Bélisle
Caccia	Calder
Campbell	Caron
Catterall	Chamberlain
Chan	Clancy
Cohen	Collenette
Collins	Copps
Cowling	Culbert
Dalphond–Guiral	Daviault
Deshaies	DeVillers
Dhaliwal	Dingwall
Discepola	Dromisky
Dubé	Duceppe
Duhamel	Dupuy
Eggleton	English
Fewchuk	Fillion
Finestone	Finlay
Flis	Fry
Gagliano	Gagnon (Bonaventure—Îles–de–la–Madeleine)
Gallaway	Gauthier (Roberval)
Gerrard	Godfrey
Godin	Goodale
Graham	Gray (Windsor West)
Grose	Guarnieri
Harb	Harvard
Hopkins	Hubbard
Ianno	Iftody
Jackson	Jacob
Jordan	Karygiannis
Kirkby	Knutson
Lalonde	Landry
Langlois	Lastewka
Laurin	Lavigne (Verdun—Saint–Paul)
Lebel	LeBlanc (Cape/Cap Breton Highlands—Canso)
Leblanc (Longueuil)	Lee
Lincoln	MacAulay
MacDonald	MacLaren
MacLellan (Cape/Cap Breton—The Sydneys)	Malhi
Maloney	Manley
Marchand	Marchi
Marleau	Massé
McCormick	McGuire
McKinnon	McLellan (Edmonton Northwest)
McTeague	McWhinney
Mercier	Mifflin
Milliken	Minna

Mitchell
Murray
Nault
Nunziata
O'Reilly
Pagtakhan
Paré
Payne
Peters
Phinney
Pickard (Essex—Kent)
Plamondon
Proud
Richardson
Ringuette-Maltais
Rock
Scott (Fredericton—York—Sunbury)
Sheridan
Skoke
St. Denis
Stewart (Brant)
Telegdi
Tobin
Tremblay (Rosemont)
Valeri
Verran
Walker
Wells
Young

Murphy
Ménard
Nunez
O'Brien
Ouellet
Parrish
Patry
Peric
Peterson
Picard (Drummond)
Pillitteri
Pomerleau
Reed
Rideout
Robichaud
Rompkey
Serré
Simmons
Speller
Steckle
Szabo
Thalheimer
Torsney
Ur
Vanclief
Volpe
Wappel
Whelan
Zed—176

NAYS

Members

Abbott
Althouse
Benoit
Breitkreuz (Yellowhead)
Bridgman
Cummins
Duncan
Forseth
Gilmour
Hanger
Harper (Simcoe Centre)
Hayes
Hill (Macleod)
Hoeppner
Johnston
Manning
Mayfield
McLaughlin
Mills (Red Deer)
Penson
Riis
Scott (Skeena)
Solberg
Speaker
Strahl
Thompson
White (Fraser Valley West)

Ablonczy
Axworthy (Saskatoon—Clark's Crossing
Blaikie
Breitkreuz (Yorkton—Melville)
Chatters
de Jong
Epp
Frazer
Grubel
Hanrahan
Hart
Hermanson
Hill (Prince George—Peace River)
Jennings
Kerpan
Martin (Esquimalt—Juan de Fuca)
McClelland (Edmonton Southwest)
Meredith
Morrison
Ramsay
Ringma
Silye
Solomon
Stinson
Taylor
Wayne
Williams—54

PAIRED MEMBERS

Members

Allmand
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Bouchard
Cauchon
Comuzzi
Debien
Fontana
Keyes
Martin (LaSalle—Émard)
Terrana

Bachand
Bernier (Gaspé)
Bertrand
Canuel
Chrétien (Frontenac)
Crête
Dumas
Irwin
Kraft Sloan
Mills (Broadview—Greenwood)
de Savoye

• (1800)

The Acting Speaker (Mr. Kilger): I declare the motion carried.

* * *

[*Translation*]

GOVERNMENT ORGANIZATION ACT (FEDERAL AGENCIES)

The House resumed from February 9, 1995, consideration of the motion that Bill C–65, an act to reorganize and dissolve certain federal agencies, be read the second time and referred to a committee.

The Acting Speaker (Mr. Kilger): Pursuant to the order made on Thursday 9, 1994, the House will now proceed to the taking of the deferred division, at second reading, on Bill C–65, an act to reorganize and dissolve certain federal agencies.

[*English*]

Mr. Boudria: Mr. Speaker, I think you will find unanimous consent that the members who voted on the previous motion be recorded as having voted on the motion now before the House, with members of the respective parties voting in the following manner. The Liberals will vote yea, along with the hon. member for Beauce.

[*Translation*]

Mr. Duceppe: Mr. Speaker, the Bloc members will oppose the motion.

Mr. Silye: Mr. Speaker, the members of the Reform Party will vote against the motion, except for those who want to do otherwise.

[*English*]

Mr. Solomon: Mr. Speaker, members of the New Democratic Party caucus vote no on this motion.

Mrs. Wayne: Mr. Speaker, I will be voting no.

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

(*Division No. 159*)

YEAS

Members

Adams
Anderson
Assad
Augustine
Baker
Barnes
Bellemare
Bethel
Blondin-Andrew
Bonin
Brown (Oakville—Milton)
Bryden
Caccia
Campbell
Chamberlain
Clancy
Collenette
Copps
Culbert

Alcock
Arseneault
Assadourian
Axworthy (Winnipeg South Centre)
Bakopanos
Beaumier
Bernier (Beauce)
Bevilacqua
Bodnar
Boudria
Brushett
Bélair
Calder
Catterall
Chan
Cohen
Collins
Cowling
DeVillers

Dhaliwal
Discepola
Duhamel
Eggleton
Fewchuk
Finlay
Fry
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gerrard
Goodale
Gray (Windsor West)
Guarnieri
Harvard
Hubbard
Iftody
Jordan
Kirkby
Lastewka
LeBlanc (Cape/Cap Breton Highlands—Canso)
Lincoln
MacDonald
MacLellan (Cape/Cap Breton—The Sydneys)
Maloney
Marchi
Massé
McGuire
McLellan (Edmonton Northwest)
McWhinney
Milliken
Mitchell
Murray
Nunziata
O'Reilly
Pagtakhan
Patry
Peric
Peterson
Pickard (Essex—Kent)
Proud
Richardson
Ringuette-Maltais
Rock
Scott (Fredericton—York—Sunbury)
Sheridan
Skoke
St. Denis
Stewart (Brant)
Telegdi
Tobin
Ur
Vanclief
Volpe
Wappel
Whelan
Zed—147

Dingwall
Dromisky
Dupuy
English
Finestone
Flis
Gagliano
Gallaway
Godfrey
Graham
Grose
Harb
Hopkins
Ianno
Jackson
Karygiannis
Knutson
Lavigne (Verdun—Saint-Paul)
Lee
MacAulay
MacLaren
Malhi
Manley
Marleau
McCormick
McKinnon
McTeague
Mifflin
Minna
Murphy
Nault
O'Brien
Ouellet
Parrish
Payne
Peters
Phinney
Pillitteri
Reed
Rideout
Robichaud
Rompkey
Serré
Simmons
Speller
Steckle
Szabo
Thalheimer
Torsney
Valeri
Verran
Walker
Wells
Young

NAYS

Members

Abbott
Althouse
Axworthy (Saskatoon—Clark's Crossing
Benoit
Breitkreuz (Yellowhead)
Bridgman
Bélisle
Chatters
Dalphond-Guiral
de Jong
Dubé
Duncan
Fillion
Frazer
Gilmour
Grubel
Hanrahan

Ablonczy
Asselin
Bellehumeur
Blaikie
Breitkreuz (Yorkton—Melville)
Brien
Caron
Cummins
Daviault
Deshaies
Duceppe
Epp
Forseth
Gauthier (Roberval)
Godin
Hanger
Harper (Simcoe Centre)

Hart
Hermanson
Hill (Prince George—Peace River)
Jacob
Johnston
Lalonde
Langlois
Lebel
Manning
Martin (Esquimalt—Juan de Fuca)
McClelland (Edmonton Southwest)
Mercier
Mills (Red Deer)
Ménard
Paré
Picard (Drummond)
Pomerleau
Riis
Scott (Skeena)
Solberg
Speaker
Strahl
Thompson
Wayne
Williams—83

Hayes
Hill (Macleod)
Hoeppner
Jennings
Kerpan
Landry
Laurin
Leblanc (Longueuil)
Marchand
Mayfield
McLaughlin
Meredith
Morrison
Nunez
Penson
Plamondon
Ramsay
Ringma
Silye
Solomon
Stinson
Taylor
Tremblay (Rosemont)
White (Fraser Valley West)

PAIRED MEMBERS

Members

Allmand
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Bouchard
Cauchon
Comuzzi
Debien
Fontana
Keyes
Martin (LaSalle—Émard)
Terrana

Bachand
Bernier (Gaspé)
Bertrand
Canuel
Chrétien (Frontenac)
Crête
Dumas
Irwin
Kraft Sloan
Mills (Broadview—Greenwood)
de Savoye

[*Translation*]

The Acting Speaker (Mr. Kilger): I declare the motion carried.

(Bill read the second time and referred to a committee.)

* * *

[*English*]

VETERANS REVIEW AND APPEAL BOARD ACT

The House resumed from February 9 consideration of the motion that Bill C-67, an act to establish the Veterans Review and Appeal Board, to amend the Pension Act, to make consequential amendments to other acts and to repeal the Veterans Appeal Board Act, be read the second time and referred to a committee.

The Acting Speaker (Mr. Kilger): Pursuant to order made Thursday, February 9, 1995, the House will now proceed to the taking of the deferred division on second reading stage of Bill C-67.

Mr. Boudria: Mr. Speaker, I think you will find unanimous consent to apply the vote taken on government Motion No. 20 to the vote now before the House.

The Acting Speaker (Mr. Kilger): Is there unanimous consent?

Some hon. members: Agreed.

Mrs. Wayne: Mr. Speaker, I will be voting in favour of this motion.

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

(Division No. 160)

YEAS

Members

Adams
Anderson
Assad
Asselin
Axworthy (Winnipeg South Centre)
Bakopanos
Beaumier
Bellemare
Bethel
Blondin–Andrew
Bonin
Brien
Brushett
Bélair
Caccia
Campbell
Catterall
Chan
Cohen
Collins
Cowling
Dalphond–Guiral
Deshaies
Dhaliwal
Discepola
Dubé
Duhamel
Eggleton
Fewchuk
Finestone
Flis
Gagliano
Gallaway
Gerrard
Godin
Graham
Grose
Harb
Hopkins
Ianno
Jackson
Jordan
Kirkby
Lalonde
Langlois
Laurin
Lebel
Leblanc (Longueuil)
Lincoln
MacDonald
MacLellan (Cape/Cap Breton—The Sydneys)
Maloney
Marchand
Marleau
McCormick
McKinnon
McTeague
Mercier
Milliken
Mitchell
Murray
Nault
Nunziata
O'Reilly
Pagtakhan
Paré
Payne
Peters
Phinney
Alcock
Arseneault
Assadourian
Augustine
Baker
Barnes
Bellehumeur
Bernier (Beauce)
Bevilacqua
Bodnar
Boudria
Brown (Oakville—Milton)
Bryden
Bélisle
Calder
Caron
Chamberlain
Clancy
Collenette
Copps
Culbert
Daviault
DeVillers
Dingwall
Dromisky
Duceppe
Dupuy
English
Fillion
Finlay
Fry
Gagnon (Bonaventure—Îles–de–la–Madeleine)
Gauthier (Roberval)
Godfrey
Goodale
Gray (Windsor West)
Guarnieri
Harvard
Hubbard
Iftody
Jacob
Karygiannis
Knutson
Landry
Lastewka
Lavigne (Verdun—Saint–Paul)
LeBlanc (Cape/Cap Breton Highlands—Canso)
Lee
MacAulay
MacLaren
Malhi
Manley
Marchi
Massé
McGuire
McLellan (Edmonton Northwest)
McWhinney
Mifflin
Minna
Murphy
Ménard
Nunez
O'Brien
Ouellet
Parrish
Patry
Peric
Peterson
Picard (Drummond)
Pickard (Essex—Kent)
Plamondon
Proud
Richardson
Ringuette–Maltais
Rock
Scott (Fredericton—York—Sunbury)
Sheridan
Skoke
St. Denis
Stewart (Brant)
Telegdi
Tobin
Tremblay (Rosemont)
Valeri
Verran
Walker
Wayne
Whelan
Zed—177
Pillitteri
Pomerleau
Reed
Rideout
Robichaud
Rompkey
Serré
Simmons
Speller
Steckle
Szabo
Thalheimer
Torsney
Ur
Vanclief
Volpe
Wappel
Wells
Young

NAYS

Members

Abbott
Althouse
Benoit
Breitkreuz (Yellowhead)
Bridgman
Cummins
Duncan
Forseth
Gilmour
Hanger
Harper (Simcoe Centre)
Hayes
Hill (Macleod)
Hoeppner
Johnston
Manning
Mayfield
McLaughlin
Mills (Red Deer)
Penson
Riis
Scott (Skeena)
Solberg
Speaker
Strahl
Thompson
Williams—53
Ablonczy
Axworthy (Saskatoon—Clark's Crossing
Blaikie
Breitkreuz (Yorkton—Melville)
Chatters
de Jong
Epp
Frazer
Grubel
Hanrahan
Hart
Hermanson
Hill (Prince George—Peace River)
Jennings
Kerpan
Martin (Esquimalt—Juan de Fuca)
McClelland (Edmonton Southwest)
Meredith
Morrison
Ramsay
Ringma
Silye
Solomon
Stinson
Taylor
White (Fraser Valley West)

PAIRED MEMBERS

Members

Allmand
Bergeron
Bernier (Mégantic—Compton—Stanstead)
Bouchard
Cauchon
Comuzzi
Debien
Fontana
Keyes
Martin (LaSalle—Émard)
Terrana
Bachand
Bernier (Gaspé)
Bertrand
Canuel
Chrétien (Frontenac)
Crête
Dumas
Irwin
Kraft Sloan
Mills (Broadview—Greenwood)
de Savoye

The Acting Speaker (Mr. Kilger): I declare the motion carried.

(Bill read the second time and referred to a committee.)

* * *

• (1805)

[*Translation*]

YOUNG OFFENDERS ACT

The House resumed from February 10, consideration of Bill C–37, an act to amend the Young Offenders Act and the Criminal Code, as reported (with amendments) from the Standing Committee on Justice and Legal Affairs; and of Motion No. 1.

The Acting Speaker (Mr. Kilger): Pursuant to an order made Friday, February 10, 1995, the House will now proceed to the taking of the deferred division on Motion No. 1 at the report stage of Bill C–37, an act to amend the Young Offenders Act and the Criminal Code.

The division is on Motion No. 1 in the name of the Minister of Justice.

[*English*]

Mr. Boudria: Mr. Speaker, I think you would find unanimous consent to apply the vote taken on the main motion for second reading of Bill C–65 to the motion now before the House, as well as applying it to the concurrence at report stage of Bill C–37.

The Acting Speaker (Mr. Kilger): Is there agreement?

Some hon. members: Agreed.

[*Editor's Note: See list under Division No. 159.*]

The Acting Speaker (Mr. Kilger): I declare Motion No. 1 carried.

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): moved that the bill be concurred in.

[*Editor's Note: See list under Division No. 159.*]

(Motion agreed to.)

* * *

[*Translation*]

INCOME TAX ACT

The House resumed from February 13, consideration of Bill C–59, an act to amend the Income Tax Act and the Income Tax Application Rules, as reported (with amendments) from the standing committee on finance; and of Motion No. 1.

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 45, the House will now proceed to the taking of the deferred division on Motion No. 1 at the report stage of Bill C–59, an act to amend the Income Tax Act and the Income Tax Application Rules.

The division is on Motion No. 1 in the name of the hon. member for Mercier.

[*English*]

Mr. Boudria: Mr. Speaker, I think you would find unanimous consent that the members who voted on the previous motion be recorded as having voted on the motion before the House in the following manner: Liberal members voting nay, along with the hon. member for Beauce.

[*Translation*]

Mr. Duceppe: Mr. Speaker, members of the Bloc Quebecois support this motion.

[*English*]

Mr. Silye: Mr. Speaker, the Reform Party members vote no, except for those who wish to vote otherwise.

Mr. Solomon: Mr. Speaker, members of the New Democratic Party caucus vote yes on this motion.

Mrs. Wayne: Mr. Speaker, the PC member votes yes.

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

(*Division No. 161*)

YEAS

Members

Althouse
Axworthy (Saskatoon—Clark's Crossing)
Blaikie
Bélisle
Dalphond–Guiral
de Jong
Dubé
Fillion
Godin
Lalonde
Langlois
Lebel
Marchand
Mercier
Nunez
Picard (Drummond)
Pomerleau
Solomon
Tremblay (Rosemont)

Asselin
Bellehumeur
Brien
Caron
Daviault
Deshaies
Duceppe
Gauthier (Roberval)
Jacob
Landry
Laurin
Leblanc (Longueuil)
McLaughlin
Ménard
Paré
Plamondon
Riis
Taylor
Wayne—38

NAYS

Members

Abbott
Adams
Anderson
Assad
Augustine
Baker
Barnes
Bellemare
Bernier (Beauce)
Bevilacqua
Bodnar
Boudria
Breitkreuz (Yorkton—Melville)
Brown (Oakville—Milton)
Bryden
Caccia

Ablonczy
Alcock
Arseneault
Assadourian
Axworthy (Winnipeg South Centre)
Bakopanos
Beaumier
Benoit
Bethel
Blondin–Andrew
Bonin
Breitkreuz (Yellowhead)
Bridgman
Brushett
Bélair
Calder

Campbell	Catterall
Chamberlain	Chan
Chatters	Clancy
Cohen	Collenette
Collins	Copps
Cowling	Culbert
Cummins	DeVillers
Dhaliwal	Dingwall
Discepola	Dromisky
Duhamel	Duncan
Dupuy	Eggleton
English	Epp
Fewchuk	Finestone
Finlay	Flis
Forseth	Frazer
Fry	Gagliano
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Gallaway
Gerrard	Gilmour
Godfrey	Goodale
Graham	Gray (Windsor West)
Grose	Grubel
Guarnieri	Hanger
Hanrahan	Harb
Harper (Simcoe Centre)	Hart
Harvard	Hayes
Hermanson	Hill (Macleod)
Hill (Prince George—Peace River)	Hoeppner
Hopkins	Hubbard
Ianno	Iftody
Jackson	Jennings
Johnston	Jordan
Karygiannis	Kerpan
Kirkby	Knutson
Lastewka	Lavigne (Verdun—Saint-Paul)
LeBlanc (Cape/Cap Breton Highlands—Canso)	Lee
Lincoln	MacAulay
MacDonald	MacLaren
MacLellan (Cape/Cap Breton—The Sydneys)	Malhi
Maloney	Manley
Manning	Marchi
Marleau	Martin (Esquimalt—Juan de Fuca)
Massé	Mayfield
McClelland (Edmonton Southwest)	McCormick
McGuire	McKinnon
McLellan (Edmonton Northwest)	McTeague
McWhinney	Meredith
Mifflin	Milliken
Mills (Red Deer)	Minna
Mitchell	Morrison
Murphy	Murray
Nault	Nunziata
O'Brien	O'Reilly
Ouellet	Pagtakhan
Parrish	Patry
Payne	Penson
Peric	Peters
Peterson	Phinney
Pickard (Essex—Kent)	Pillitteri
Proud	Ramsay
Reed	Richardson
Rideout	Ringma
Ringuette-Maltais	Robichaud
Rock	Rompkey
Scott (Fredericton—York—Sunbury)	Scott (Skeena)
Serré	Sheridan
Silye	Simmons
Skoke	Solberg
Speaker	Speller
St. Denis	Steckle
Stewart (Brant)	Stinson
Strahl	Szabo
Telegdi	Thalheimer
Thompson	Tobin
Torsney	Ur
Valeri	Vanclief
Verran	Volpe
Walker	Wappel
Wells	Whelan
White (Fraser Valley West)	Williams
Young	Zed—192

PAIRED MEMBERS

Members

Allmand	Bachand
Bergeron	Bernier (Gaspé)
Bernier (Mégantic—Compton—Stanstead)	Bertrand
Bouchard	Canuel
Cauchon	Chrétien (Frontenac)
Comuzzi	Crête
Debien	Dumas
Fontana	Irwin
Keyes	Kraft Sloan
Martin (LaSalle—Émard)	Mills (Broadview—Greenwood)
Terrana	de Savoye

The Acting Speaker (Mr. Kilger): I declare the motion lost.

Hon. Roy MacLaren (for Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec, Lib.) moved that the bill be concurred in.

Mr. Boudria: Mr. Speaker, I think you would find unanimous consent that the vote taken on the main motion for second reading of Bill C–65 be applied to the concurrence at report stage of Bill C–59 now before the House.

The Acting Speaker (Mr. Kilger): Is there consent?

Some hon. members: Agreed.

[*Editor's Note: See list under Division No. 159.*]

The Acting Speaker (Mr. Kilger): I declare the motion carried.

(Motion agreed to.)

It being 6.10 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*]

NUCLEAR REACTOR FINANCE LIMITATION ACT

Mr. Nelson Riis (Kamloops, NDP) moved that Bill C–285, an act to eliminate financial support for nuclear reactor design and construction in Canada or abroad and to amend the Atomic Energy Control Act in consequence thereof, be read the second time and referred to a committee.

He said: Mr. Speaker, I am really pleased to have the chance to raise this private member's bill today. It is very timely. Today is Valentine's Day when we acknowledge the special relationships that we have in our lives.

Today I call into question the relationship that the federal government has with the nuclear industry. For many years it has been a sweetheart deal between the federal government and the nuclear industry of Canada.

Essentially this bill is intended to cut the subsidies that the federal government over the years has provided for the nuclear sector. I have a list from 1948 until 1992. I will not read it out because it goes on and on. It clearly identifies the hundreds of millions of dollars with which the Canadian taxpayers subsidize Canada's nuclear industry.

I want to make clear from the start that this in no way reflects a reduction in support for the use of isotopes for medical use. We all acknowledge the benefits that accrue from a whole set of medical initiatives.

Perhaps I should read what this bill does. The title is Nuclear Reactor Finance Limitation Act.

• (1815)

It says:

> Notwithstanding any act of Parliament, no payment shall be made from the consolidated revenue fund for the purpose of subsidizing or paying or loaning any part of the cost or of guaranteeing any loan that is for the purpose of subsidizing or paying or loaning any part of the cost of any real property, intellectual property, goods or services that are used for the research, investigation, design, testing, construction, manufacture, operation, use, application or licensing of any thing or property of any nature that will be used in or for a nuclear reactor.

It goes on to elaborate on this theme. Basically it is a bill that would eliminate the subsidies that the federal government provides to the nuclear sector. These are substantial. I think if one were to generalize, it would not be an elaboration to suggest that on average about $200 million a year of taxpayers' money goes to subsidizing this particular industry.

This is a time when we are all conscious of the need for fiscal restraint and aware of the need for evaluating every subsidy, grant and expenditure on a cost benefit basis. We can apply any cost benefit analysis to ask whether the $200 million year after year is a good investment for the taxpayers of Canada. There is only one conclusion in economic, health and environmental terms. It does not stand up to scrutiny.

I want to elaborate on a few points. We talk about being on the dole. A previous leader went on at some time about the corporate welfare bums. If there were ever a corporate welfare bum it has to be the nuclear sector. We would assume the nuclear industry is a major player in the energy sector because of the tremendous subsidies it receives.

We would assume the nuclear sector contributes a significant percentage of the overall energy sector of Canada. It does not. It is actually beneath firewood. In other words, more people use firewood for energy than nuclear energy. By firewood I am talking about hog fuels as opposed to what people are using in a fireplace or whatever. We typically burn chunks of wood.

Wood accounts for about 7 per cent of the energy picture. Coal, electric and others account for 6 per cent. Hydro accounts for 14 per cent, gas for 33 per cent, oil for 36 per cent, nuclear 4 per cent. Out of all of the various energy options in our country, nuclear accounts for about 4 per cent of the entire energy package. Yet in terms of research and development monies coming from the federal government, it receives more than all others combined.

When we add up the $200 million a year over the life of this particular government, it will come to nearly $1 billion. I think if taxpayers were put the question in a referendum: "Are you prepared to spend $1 billion over the life of this particular federal government to support and subsidize the nuclear energy sector?", my guess is that overwhelmingly people would say no.

I know that an argument people often use for example is there are a number of people employed in this sector. Of course, we could say that about any sector. If that were the sole motivation, I suppose we should be subsidizing the marijuana industry or the drug industry if jobs are the criteria.

Any economic activity will create jobs, including the nuclear sector. Of greater relevance is whether such jobs are sustainable, including the overall cost to society of maintaining those jobs.

When I talk about the $200 million subsidy annually, that is not the actual cost to Canadians. That is the cost today. Eventually we are going to have to start dismantling these nuclear reactors, 22 of them with Ontario Hydro alone. We are going to start decommissioning these nuclear reactors. To decommission a nuclear reactor is not some minor financial undertaking.

The Auditor General, I think in the 1992 report, indicated that a major cost that is never counted into the accounting system of Atomic Energy Canada is the cost accruing in terms of eventual dismantling. We have some evidence of what that cost would be. I think the most recent nuclear reactor that was dismantled in New Jersey cost $157 million U.S. Rounding it out, for one nuclear reactor alone we are adding another $200 million for the decommissioning. That is just decommissioning. What do we do with the nuclear waste? Again, we have yet to come up with something for what is at this moment a serious problem and likely to be a problem for perhaps hundreds, thousands or millions of years to come.

• (1820)

Here we are on this treadmill developing nuclear reactors, going head long in terms of these incredible subsidies to this one energy sector that only accounts for 4 per cent of the total energy package for Canada at a time when they are unsafe, we do not

know what to do with the waste. Even now the subsidies do not reflect the true cost.

We just had on Parliament Hill a reception. The minister welcomed the nuclear industry to Parliament Hill. We heard what people are really worried about, that this is very economical.

If it is so economical why have we had to subsidize this industry since 1948? Why does it cost the taxpayers of Canada, not $200 million, not $1 billion, but close to $20 billion? Is this what we call economical? That industry after decades of subsidization still cannot stand on its own two feel. It requires this incredible subsidy by the federal government on an annual basis.

Talk about being on the dole. That industry should be hanging its head in disgrace, coming here wearing out the knees of its pants asking for that kind of handout from the taxpayers of Canada year after year. Has it no grace? Has it no pride?—not as long as those people are across the way, whether they be Tories or Liberals, it does not make any difference. They are there, backing up the old truck and shovelling out the taxpayers' dollars, $200 million to start with on an annual basis.

I think my Liberal friends across the way surely should be waiting for me to sit down so they can get up and condemn this abuse of taxpayers' money and to say now is the time to send a message to our Minister of Finance. They should stand up and be counted. Do the right thing. Listen to Canadians and stop this handout to the nuclear industry.

I got a little worked up but I cannot help it when I see the kind of abuses we tolerate.

What can we say about this? I want to reiterate a few points. The nuclear industry represents 4 per cent of the energy package of Canada and yet receives more than the natural gas sector, the oil sector, the coal sector, the renewable sector and conservation combined in terms of subsidies.

I ask my Liberal friends across the way—I know my Reform friends will agree with me and certainly the Bloc will agree with me—if we are going to subsidize any part of the energy sector should it not make more sense to subsidize the area that is looking into how to replace this kind of industry, the renewable resources or the alternative, the conservationist options that are available to us?

We heard sometime ago that down in New York they decided to back out of the big James Bay hydro project. The reason they did that was the conservation elements that they introduced in the state of New York were so overwhelmingly successful they did not need the power. There might be other factors that we have to take into consideration but fundamentally the energy authority in the state of New York said the conservation methods introduced have been so successful that it does not have to enter into that long term energy agreement with Quebec Hydro.

Again, where we have evidence it works. Yet this government seems to be walking around with a real hearing problem, a real sight problem. It cannot see what is obviously the right thing to do. I say to the government if it is confident in what it says it does, ask the people of Canada what they think; if we should be handing out money by the basket full, $200 million a year plus to one energy sector that accounts for only 4 per cent of the whole energy package in Canada.

If there is a country in the world that does not have to subsidize the nuclear industry, that does not need a nuclear industry, it is Canada.

• (1825)

We have energy coming out of our yin–yang. We have coal, we have—

Some hon. members: Oh, oh.

Mr. Riis: Yin–yang is a town in Saskatchewan, I think. I am not certain of that.

An hon. member: It is a little town in China.

Mr. Riis: My friend says it is a little town in China. That sounds better.

Despite 50 years of massive government subsidies, being on the dole, asking for handouts, the nuclear industry still cannot stand on its own two feet. Should that not get all of our attention in this House? After 50 years of handouts, after 50 years of coming in here and begging for support, it still cannot stand on its own two feet. Should we not say it is time it reassess how viable it is in terms of the future of Canada?

This gets almost obscene. The federal government wrote off a $70 million loan to AECL for the Douglas Point reactor at Bruce site. Quebec's number one reactor never operated properly and had to be shut down. A $90 million loan to AECL was written off by the federal government.

Despite the failure of that reactor Ottawa has now financed a second one to the tune of $151 million. It gets worse. It is very embarrassing.

It is the standing policy of this government, the Tories before and the Liberals now, to finance one–half of the estimated cost of any province's first nuclear plant. That is policy. The Government of Canada has written off about $800 million in unpaid loans to Nova Scotia and Quebec heavy water plants. In 1977–78 the federal government wrote off about $190 million in loans to AECL.

Canada's Nuclear Liability Act limits the liability of nuclear operators to $75 million in the event of a nuclear accident. It has been estimated that a severe accident at the Darlington nuclear

station would cost at least a trillion dollars and could lead to over 200,000 fatalities.

I could go on and on. That brings me to an important point, whether the nuclear energy sector is safe? I think this is fundamental in people's minds. It is certainly not economical. It is certainly environmentally unsound and I think that is a given. Is it safe?

Mr. Speaker, I think you will be shocked. During 1993 the Atomic Energy Control Board recorded 700 "unusual incidents" at Canada's 22 operating nuclear reactors. That is almost two a day. You are astonished. I am too. These incidents range from spills of radioactive heavy water to unexplained power surges. Of these, 270 were serious enough to warrant a full report to AECB and a follow up investigation. That is incredible, two incidents a day that warranted full scale investigations.

The annual reports of the Atomic Energy Control Board provide ample evidence of the inherent dangers of nuclear technology. The following really got me riled up in terms of having to do something to prevent this catastrophe that is about to happen. It is reported that in August 1992 radioactive heavy water from the Pickering A nuclear reactor leaked into Lake Ontario downstream from the water supply plants for the communities of Ajax and Whitby, forcing a shutdown of the plants. This incident resulted in the highest single emission of radioactive tritium into the lake since the reactor began operating in 1971.

This goes on and on. No wonder those whales are whipping up on the beaches in Quebec all scarred up, sick and blue. We have nuclear waste draining into the Great Lakes.

The 1992 annual report, the one that really got my attention, states that in March 1993 Ontario Hydro discovered a serious deficiency in the analysis of an accident involving a large loss of reactor coolant. The analysis showed that the consequence of such an accident, if it were to occur while operating at full power, would be unacceptable. The term unacceptable is a euphemism for a disaster, probably.

They are not safe. They are not economical. They are environmentally unsound. They are a threat to our health and they are breaking the treasury. Why on earth would we continue on this sort of treadmill to nowhere, forking out that kind of taxpayers' money?

• (1830)

Mr. Speaker, my time is quickly coming to an end. So I will sit down now while I wait for my friends across the way to explain to the taxpayers of Canada how this incredible subsidy ought to continue.

Hopefully, a little lightening bolt will come out of the sky and give them a little snap so they will say: "Yes, tomorrow morning I am going to walk over to the Minister of Finance's desk, sit down beside him and say: "Mr. Minister of Finance, it is time to end this madness. Save the taxpayers of Canada hundreds of millions of dollars. Bring them a safer environment, a healthier environment and something that is economically and environmentally sound now". The only way we can do that is to stop funding Canada's nuclear sector.

The Acting Speaker (Mr. Kilger): Earlier in his intervention the member referred to the Speaker being shocked. I am not so sure about that, but I am still looking for that little town in the Chinese province of Saskatchewan.

Mr. Leonard Hopkins (Renfrew—Nipissing—Pembroke, Lib.): Mr. Speaker, well here we go again. The NDP party with the same bill it brought in before. The same old party. The same worn out rhetoric. The same wrong conclusions—

Mr. Riis: Mr. Speaker, on a point of order. I want to hear the hon. member's speech however, he mentioned the NDP party. Think about it. That would be the New Democratic Party party. If he is going to refer to us, at least say the New Democratic Party.

The Acting Speaker (Mr. Kilger): Respectfully, the member does not have a point of order.

Mr. Hopkins: Mr. Speaker, I thought I was very kind because I have heard them called worse.

I want to remind the hon. member that Ontario Premier Bob Ray stood with the Prime Minister of Canada when we sold two reactors to China. He was so proud of our Canadian technology. I know he got into a bit of criticism over that, but he understands what research and development means and we respect him for that.

This bill will prevent the federal government from giving any financial assistance or technical support to nuclear reactor projects, except those making isotopes for medical use.

The hon. member made a great deal out of wasting money. Let me state one important point right off the bat, and this is for Canadian consumption in view of what the hon. member has said. From 1952 to 1992 the Canadian government invested $4.7 billion in Atomic Energy of Canada Limited. During the 30 year period from 1962 until 1992 the nuclear industry in Canada had a return for Canadians of $23 billion. Now, if we are going to get a return of $5 for every dollar invested, I do not think that is a bad investment.

NDP members have learned one thing. It took them some time to learn it, but they learned that isotopes are useful in medicine. Radioisotopes have various applications. One use is for sterilizing medical instruments. The hon. member does not seem to understand that cobalt 60 which is a byproduct from Ontario Hydro's power reactors is an isotope product. He wants to

destroy the reactors that produce it, yet he wants isotopes saved for medical purposes.

Come on, do your homework here. In their press conference material the hon. member and his colleagues do not want the production of isotopes for medical use interfered with, but in this bill they are proposing to cripple hydro power reactors which produce isotopes. What a contradiction.

Molly 99 which is a shortened version of Molybdenum 99 is produced at the NRU research reactor at Chalk River. This is a radioisotope product which is supplied to Nordion International Incorporated so that Canada can continue to control the 88 to 90 per cent of the world market we control today in isotopes. However, the NDP today wants to cripple some of the production facilities of isotopes while at the same time wanting to maintain isotope production. That sounds like the modern day rhetoric of the NDP.

• (1835)

I want to get on to some other very interesting things in reply to what the hon. member has said. Those are items about the economic factors.

In 1993, 50 per cent of Ontario's electricity came from nuclear generators and in New Brunswick, 35 per cent came from nuclear generators. In 1993, Ontario Hydro's published generating costs were 6.8 cents per kilowatt hour for fossil fuel and 5.4 cents per kilowatt hour for nuclear power. This is a 20 per cent advantage for nuclear power, yet the NDP calls that waste. We can understand that.

In terms of lifetime performance, five in the top 20 reactors in the entire world were Candu reactors made in Canada by Canadians. Canada's Pointe Lepreau reactor was the number two reactor in the entire world.

The automobile industry uses nuclear technology to test steel quality in cars. The paper industry uses it in the production of coded stock. Manufacturers use it to check for flaws in jet engines. Construction crews gauge the density of road surfaces and subsurfaces with it. Pipeline companies test the strength of welds, and oil and gas mining companies map the contours of test wells and mine bores with it. But NDP members want to do away with all this. They are very progressive in their thinking. It is no wonder they are sitting where they are today.

Atomic Energy of Canada Limited engineers developed the first commercial sterilizers in 1964. There are roughly 170 such units currently in use in 46 countries and 90 of them are Canadian designs.

Radioisotopes are used extensively by industry in quality control and process management. The petroleum industry uses them to test pipeline welds. The pulp and paper industry uses them to measure the thickness of paper. Many industries use them to trace the flows of material through process systems.

Imagine what would happen to our modern day industry if we destroyed the basis of all this. In environmental matters, the worldwide use of nuclear power plants results in lowered CO_2 emissions globally by 1.5 billion tonnes a year.

Mr. Milliken: And they are opposed to this?

Mr. Hopkins: Yes, they are opposed to this.

If Ontario Hydro had used coal fired generating plants to produce the same amount of electricity as has been made by its nuclear plants to date, it would have released 9.9 million tonnes of acid gas into the atmosphere and produced 23.3 million tonnes of ashes.

All of the used fuel from Canada's nuclear plants would fit into one olympic size swimming pool. The coal ashes would require about 25,000 times as much space if coal had been used.

What is more, the nuclear fuel still has the potential for recycling to produce much more energy. A single uranium fuel bundle of about 10 centimetres in diameter and 50 centimetres long and weighing 25 kilograms produces as much electricity as 380 tonnes of coal or 1,800 barrels of oil. But the NDP wants to do away with this.

A large nuclear power reactor uses 150 tonnes of natural uranium per year, equivalent to two million tonnes of black coal or 10 million barrels of oil. Is that what the NDP stands for?

Since 1973 nuclear power plants worldwide have cut fossil fuels used to generate electricity by 17.6 billion barrels of oil worth $470 billion U.S., 2.2 billion tonnes of coal, 26 trillion cubic feet of natural gas. This is not a bad saving. It is not bad for conservation.

• (1840)

For medical applications almost every facet of modern medicine relies in some way on nuclear technology, from nuclear powered units in heart pacemakers to the sutures, surgical gloves and medical supplies that are sterilized by radiation and used in hospitals each day.

Millions of diagnostic procedures are carried out annually using nuclear technology. Cancer treatment systems using nuclear technology are used to save thousands of lives throughout the world. More than 1,300 of the world's cobalt therapy machines have been supplied by Canada. This figure represents close to 50 per cent of the total cobalt 60 therapy machines used to date.

Every year in 70 countries an estimated one-half million people are treated for cancer using cobalt therapy machines designed and built in Canada. Canada is a world leader in the production of cobalt 60. The country supplies more than 80 per cent of the world's total cobalt 60 used in medical and industrial applications. AECL was instrumental in the development of the cobalt 60 treatment for cancer.

Cobalt 60 is a human–made radioisotope produced using a nuclear reactor. Radioisotopes are used to help diagnose medical ailments and prescribe remedies. Such isotopes can detect how well organs are functioning, how well the body absorbs particular substances, and where tumours might be located. They have a range of valuable uses.

The hon. member has told this House of Commons and all Canadians that AECL is a waste of money. Are all these facts a waste of money? The hon. member should take a second look and do his homework.

I will end my comments here. I have much more I would like to say to educate the hon. member, but I will pay due respect to the Chair. My time is up.

[*Translation*]

Mr. Roger Pomerleau (Anjou—Rivière–des–Prairies, BQ): Mr. Speaker, I wish to say that I am very happy to take part in the debate on Bill C–285. First of all, I wish to thank the NDP member who introduced this bill and who has done so in such an entertaining and informative way.

Bill C–285 provides for the elimination of financial support for nuclear reactor design and construction. That prospect is viewed by the Bloc Quebecois as interesting and relevant under the present circumstances.

Indeed, how could we not have doubts about the nuclear energy development policy of the Canadian government and the significant investments required for the implementation of that policy. As the Official Opposition of the House of Commons, we are deeply concerned by energy development policies.

Our concerns are twofold. First, we should wonder about the environmental costs of the development of any type of energy, in this instance nuclear energy, and second, about the impact the development of such energy may have on the economy of a country. I would like to take a few minutes to discuss those two issues.

The Minister of Natural Resources of Canada said recently to the Nuclear Awareness Project that she believed it would be appropriate to continue to develop nuclear energy in Canada. But at what cost to the environment and the Canadian taxpayers, that is the question.

First of all, in the industrial process of long term development of nuclear energy, the risks for the human environment are very high. Indeed, we know fully well that radioactive waste produced by the nuclear industry is most dangerous to the human species. Spent fuel represents not only the highest risks, but also the most difficult challenge if we want to find a safe, long term method of storage.

• (1845)

After 500 years, for example, nuclear fission material produced by the Canadian nuclear industry will still be active. In December 1992, there were 21,000 tonnes of spent fuel stored in Canada, 90 per cent of which was produced by Ontario Hydro, and the Canadian nuclear industry is not even 50 years old. For human beings, radioactivity is highly cancerous and very harmful genetically.

Clearly, the results of the accidents that occurred at the nuclear compounds of Three Mile Island and Chernobyl are very good examples of that. We must also remember that the nuclear industry in eastern European countries is in such a state that it is a time bomb for humanity and we can all see clearly what political problems that creates. The coming apart of the Union of Soviet Socialist Republics left nuclear power plants almost abandoned everywhere because the people in charge of those plants moved from Eastern Europe to more financially secure countries where they can earn a better living. Mechanics and plumbers generally speaking operate the power plants and these certainly are time bombs for humanity.

Not only does the nuclear reaction from the fuel produce radioactive elements, it also produces neutrons which strike other components of the reactor itself and activate some of its substances which also become radioactive. This means that the reactor structure will have to be stored as radioactive waste once the reactor has reached the end of its useful life. The Chalk River nuclear laboratory of Atomic Energy of Canada Limited contains three outdated nuclear reactors, and the site itself is seriously contaminated by radioactive waste. Atomic Energy is also responsible for two outdated reactors, at Whitshell, Manitoba, for the NPD reactor at Rolphton and the Douglas Point reactor at Bruce, both in Ontario, and for the Gentilly 1 reactor in Bécancour. All of these reactors are no longer in use and should be stored.

The cost of a stockpiling system is astronomical. The estimated cost of stockpiling a little over 100,000 tonnes of used fuel is $9 billion. We share the view of the Auditor General of Canada that Atomic Energy of Canada will require even larger subsidies in order to cover the costs of dismantling these outdated reactors. This means that the costs the government is calculating now, in terms of the cost of this energy, the costs that have to be budgeted later, to ensure safe storage of the waste from these plants when the government is no longer in power, simply because hundreds of years are involved, these costs are never calculated.

This leads to the next question of whether the nuclear industry can turn a profit over the long term. Another question with respect to the human environment concerns the use of nuclear energy for military purposes. Uranium 235 and 238 are consumed in Canadian reactors of the CANDU type; they are elements which, when bombarded by a neutron to cause fission and create energy, become plutonium 239 atoms. The creation of plutonium 239 in nuclear reactors raises a very serious problem in regard to nuclear weapons and world peace. Plutonium 239 is

fissionable and can be used in the production of nuclear weapons.

Even if plutonium 239 is the isotope preferred by arms manufacturers, other plutonium isotopes are also fissionable and can be used to manufacture bombs. Knowing that Atomic Energy of Canada, the body responsible for promoting nuclear energy in Canada, is trying to sell CANDU reactors by any means possible, which is, after all, why they are building them all over the world, we must look into this very closely. Despite the many multilateral and bilateral treaties on the non–proliferation of nuclear weapons between Canada and the rest of the world, we must be realistic: there will be a real risk of nuclear technology being used for military purposes as long as the nuclear industry is developing in the world.

The second facet of Canada's nuclear industry is government financing. I have already mentioned the astronomical costs of storing radioactive waste. Maintenance at Atomic Energy of Canada Limited is subsidized by the public purse, and has been for the past six years, to the tune of $1.2 billion. The cost of building a reactor is $1.5 billion, an investment on which even a long term return is not guaranteed. We are justified in questioning the investment of public funds in this industry.

• (1850)

During the Prime Minister's trip to China last fall, according to representatives of Atomic Energy of Canada Limited who were interviewed in Peking, Atomic Energy made a proposal to build two reactors on Chinese territory under a turnkey proposal without requiring a large investment by China. The representatives said that acquiring these reactors, valued at $3 billion, would be extremely advantageous for the Chinese, who would not have to tie up foreign currency holdings for a long period. In other words, we are selling CANDUs, but we are financing them entirely.

What about the people of Canada who pay the major part of the construction costs of such reactors? Is the present evolution of Chinese society collateral enough for Canadian investments? These are legitimate questions we should ask ourselves.

The present Canadian policy in the area of nuclear development is costly and dangerous, in terms of both public finance and the human environment. This is why, considering that Canada is trying to reduce its deficit, we believe that Bill C–285, which seeks to eliminate financial support for nuclear reactor design and construction in Canada and abroad, is a worthwhile initiative.

[*English*]

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, the millennium has arrived. We have just had an NDP member suggesting that we cut off subsidies to a major crown corporation. I thought I would never see the day. Actually what he is in effect proposing in the practical sense is the privatization of AECL.

If he wants to make the same proposal with respect to the CBC, the National Film Board and what is left of the government's stake in Petro–Canada, I will move over one seat and let him join us. We will make him a Reformer, an honorary Reformer.

Mr. Riis: Thanks but no thanks.

Mr. Morrison: It is a good idea to talk about privatizing AECL but it is not simple. We cannot do that in one quick step.

We must remember that more than 80 per cent of the nuclear industry in Canada is already private. The only parts that are still under government supervision and are still being subsidized by the government are the parts that do not make money, the research facilities primarily. Everything else is being operated by the private sector. There are 150 companies out there that compete with suppliers in client countries. They are efficient and they make money.

The Koreans have been so delighted with what we have done with the private end of the industry, the building of the reactors, that they have ordered three more. I would have to take issue with the hon. member who spoke for the Liberals. Wolsong 1 is probably a better reactor even than Point Lepreau. It has been up and running since 1982. They love it and they want more of them.

Let us get back to AECL specifically. Among the major crown corporations it is the only one that is seriously cutting costs. This formerly bloated entity has cut its staff from 4,500 to 3,700. Even more commendable is that it has reduced its Ottawa head office staff from 160 to 54, a two–thirds reduction.

I was out at Chalk River a couple of months ago to look the place over and what I found was quite a tight ship. There was none of the opulence that we have come to associate with government. It was nothing like the Department of National Defence, for example, or the Department of Fisheries and Oceans. This is an outfit that knows what money is for.

Let us take a look at the specifics of the bill. Clause 3(b) speaks of research, investigation, design, testing, construction, manufacture, operation, use, application or licensing of any thing or property of any nature that will be used in or for a nuclear reactor. If the world were only that simple. We cannot pigeon hole or categorize scientific research like that. Much of what is being done at Chalk River at the moment is pure scientific research which may or may not be applicable to reactor design.

• (1855)

The line between pure and applied science is very hard to draw. That is why privatization although necessary and desirable will be difficult. An entirely new company of researchers will have to be formed to sell their services to the people who have the reactors. That is going on now to some extent. They take in $86 million a year in fees for the work that is done at Chalk River on behalf of reactor owners. Eventually they will have to become self–sufficient and I do not think it will happen until it is privatized.

With all the pure science going on out there it is not going to be an easy sell. However we do not just kill the flagship of Canadian R and D. Let us remember the Avro Arrow, because this is the sort of thing we are talking about. Clause 4 would preclude provision to any person, any professional, scientific technical information or assistance that relates to research investigation, design, testing, construction, manufacture, operation, use, application or licensing of any thing or property of any nature that would be used in or for a nuclear reactor. In plain English, it would make orphans of the Candu reactors that provide almost half of Ontario's electricity.

The work being done at AECL that is not pure science is bankrolled by the utilities. As I have mentioned they spend about $86 million a year on it. It is to enhance plant safety, prolong operational lives and cut maintenance costs. If we want to remain in the forefront of an industry we have to do R and D and we have to do it continuously.

They are doing work out there now on the applications of computer technology to the construction and operation of plants, improving reactor fuel channels, better fuel design and so on. Bill C–285 would stop this cold.

Clause 5 says that the act does not apply to a nuclear reactor that has as its sole purpose the manufacture or development of isotopes for medical use. The hon. member for Kamloops should know that this function of AECL has already been privatized. Nordion was sold for $165 million. Incidentally the government of the day pocketed the funds into general revenue and did not leave a penny for the operations.

During his long harangue about the technical side of nuclear energy the hon. member for Kamloops reflected the anti–industrial primitivism that is so common among a small segment of his party, the people we refer to as the nuts and berries crowd.

We live in a climate of irrational fear of the atom because most people do not understand it. They do not have a vague notion of how a reactor works. Polls indicate that 10 per cent of the public actually believes that a reactor can explode like an atomic bomb. Vast numbers who at least know better than that believe a nuclear plant constantly emits streams of deadly radiation that will induce cancer, make them sterile or cause them to conceive defective children.

A few highly visible crusaders have seized upon the fears as a convenient means of attacking a social order that they find distasteful and have found highly successful careers as virtual cult leaders. When primitive man was troubled by fears of the unknown, he consulted the witch doctor or the shaman. Sophisticated modern man appeals to Amory Lovins, Ralph Nader or Barry Commoner.

The hon. member was engaging in a little shameless sophistry when talked about 4 per cent of the energy uses of Canada coming from nuclear. For God's sake that includes the use of fuel in cars. There are not very many nuclear cars. What it does produce is 20 per cent of the electrical energy that is used in the country and, as has been stated two or three times, nearly 50 per cent of Ontario's electrical energy. We used to have a bumper sticker out west that said: "Let those eastern bastards freeze in the dark". Apparently this is what the hon. member for Kamloops is suggesting we do again.

• (1900)

He mentioned the decommissioning cost of $13 billion. That is not bad for an industry that produces $4 billion worth of electricity annually over a period of probably 30 years of operational life for a plant. Remember, that $13 billion is not just for one reactor, that is for the whole shooting match. At least that is a number which both the pro and the anti–nukes agree on.

There has been a lot of talk about the waste. It is an insoluble problem. It will be with us forever. The nuclear priesthood will have to guard it. I am reminded of a quote from Goethe that the phrases men repeat incessantly end by becoming convictions and ossify the organs of intelligence.

If Canada went 100 per cent nuclear for its electricity each family share of spent fuel, or high level waste if you prefer that term, would be seven ounces a year. This stuff is put into the swimming pools at the plants. As somebody said, there are 21,000 tonnes of it around now. Within 10 years the radioactivity is reduced by 90 per cent. Within 1,000 years in dead storage the radioactive levels would be sufficiently reduced to make it perfectly safe to eat a few spoonfuls of the stuff.

You get these anti–technological myths about plutonium, because there is plutonium in the waste. It is the deadliest thing known to man. It is evil. God did not create it. That is garbage. That stuff is an alpha emitter, for openers. You could wrap it in a piece of tissue paper, put it in your pant's pocket and walk around with it with impunity because it emits no gamma radiation and no beta radiation. It is not dangerous. If you were to eat a bunch of it, it is 50 times less poisonous than ordinary arsenic trioxide. Mr. Speaker, you can look that up in any good journal of toxicology.

It has been studied in great detail. The toxicity of plutonium on a weight dose basis is much less than that of many items which are kept commonly around the home. It is lethal only if breathed into the lungs or directly injected into the bloodstream. Then it will kill you, and it will kill you quick, but not as quickly as botulism poison, for example, which is fairly abundant, and anthrax. Again, there are many natural toxins which are more toxic than this horrible stuff that we all have to worry about so much.

I see the Speaker starting to rise from his seat. I wish I could have spent some time on the technical aspects of this. As you have probably gathered I do have some knowledge of nuclear energy production. Perhaps another day.

Mr. David Iftody (Provencher, Lib.): Mr. Speaker, I rise today to speak to Bill C–285 on behalf of the people of the Whiteshell facility in my riding of Provencher and to say that this bill would in effect eliminate Canada's nuclear industry.

The government believes that to do so would be fundamentally wrong. Not only has the nuclear industry provided a good return for investment to Canadians, and I will get into that later, it has achieved international acclaim. That recognition includes the recent Nobel prize to Dr. Bert Brockhouse for pioneering scientific work carried out at the Chalk River laboratories of AECL.

I would like to look at the myths and also address the facts of the Canadian nuclear industry. Nuclear energy supplies 15 per cent of Canada's nuclear electricity with a value of close to $4 billion.

• (1905)

The hon. member for Kamloops stated earlier that the nuclear industry provides 4 per cent of Ontario's power. That is not true. The fact is the 22 reactors in Ontario provide 66 per cent of that power.

Direct employment in the nuclear sector is estimated at 30,000 jobs and at least 10,000 jobs in other sectors depend directly on the nuclear industry. Many of these jobs are highly skilled and knowledge based, the kind of jobs that are consistent and compatible with the new economy. They are the kind of jobs that we are trying to develop and encourage in Canada. Indeed in the last year we have created 437,000 of those kinds of jobs.

More than 150 companies across six provinces supply manufacturing and engineering products or services. In addition to those that we directly subcontract to, there are another 400 or 500 companies beyond that who subcontract to those 150 companies.

The recent sale of three Candus to Korea has generated more than $1 billion in Canadian content, providing some 25,000 person–years of work over six years. The Korean Candu sale in 1992 was Canada's largest export order. It is well known to most Canadians and certainly to all those interested in the nuclear industry of the Prime Minister's most successful and recent trip to China where letters of undertaking were signed with the Chinese for two more reactors, estimated to bring back a total of $4 billion worth of investment in Canada.

In 1991 the industry had a trade surplus of approximately $500 million and that trend continues. Ontario Hydro estimates that from 1965 to 1989 the nuclear industry saved the Canadian economy $17 billion in foreign exchange. Were we to have imported oil and coal, it would have cost the Canadian taxpayers another $17 billion, to say nothing about the points addressed by my hon. colleague from Renfrew about the acid rain emissions and other kinds of global warming effects that would inevitably occur from burning these other kinds of fuels. For each year of the 1990s foreign exchange savings will amount to about $1 billion.

The federal government has supported the development of Canada's nuclear energy capability. In the period between 1952 and 1994 the nuclear industry contributed at least $23 billion to the gross domestic product. The federal government received $700 million annually from the nuclear industry in the form of income and sales taxes.

I can tell you of a similar study to the one that Ernst & Whinney completed for the Government of Canada done in Manitoba which demonstrates clearly that the investment that the government makes in the facility close to where I live generates $30 million of tax a year in the Manitoba economy alone.

The private sector also benefits. In the four years between 1988 and 1992 private sector companies that provide nuclear products and services had sales of almost $10 billion. The performance of the research reactors has been the envy of the world. The performance of the Candu reactor is second to none.

Out of the 369 power reactors which provide significant amounts of electricity in 29 countries throughout the world there are four Candus in the top 10 in lifetime performance. As was pointed out earlier, the reactor at Point Lepreau, New Brunswick is number one. That is a formidable record.

With the kind of high–tech job–creation initiative that is inherent in the nuclear industry why the member for Kamloops would want to oppose that kind of job creation and that kind of record for Canadians and Canadian researchers.

Nuclear energy's contribution to electricity supply is not its only benefit to humankind. It also contributes to the quality of life. Its spinoff benefits to the environment and to medicine are equally significant. I refer to clause 5 of this bill where the member for Kamloops wants to keep isotope production but toss out everything else.

Let me make a couple of other points about some of the more recent research and possibilities.

• (1910)

In the biotech area, for example, in terms of a radiation facility we can design new kinds of drugs. A nuclear capacity allows us to investigate small, molecular membrane interactions which will help in terms of the health care, the medical field and the life chances of Canadians who are unfortunate enough to have trouble with cancer or other kinds of illnesses. This is a record breaking and ground breaking kind of technology that is important to us all.

The boron neutron capture therapy is another example. It is a new mode of radio therapy that combines tumour seeking components to destroy cancer cells and tumours. Is that wrong? Is that bad? Is that not a worthy undertaking for the Canadian economy? Is that not a legitimate expense for the Government of Canada?

It was mentioned earlier by one of my colleagues that we have built in AECL through one of its spin–off companies over 1,300 of the world's cobalt therapy machines. Each year 500 million people are treated for cancer through those 1,300 machines. Is that not a wonderful contribution and worth the effort of the Government of Canada to participate with our world neighbours in cancer treatment research? I think so.

The nuclear industry is an important factor in the sustainable development equation. Nuclear electricity generation is clean, burning an abundant fuel and has no other practical uses. It does not emit the acid gases, as I referred to earlier, carbon dioxides and particulates associated with fossil fuels.

Nuclear energy has been and continues to be a good investment for Canadians and for Canada. It plays an important role not only in providing clean electricity, but in the creation of jobs, revenues and in spin–off benefits that have improved the quality of life of Canadians and the people in other nations.

We talked earlier about some of the financial aspects in the Ernst & Whinney study which I think was important and timely in terms of allowing Parliament to tell Canadians what this kind of investment has meant over the past 30 years.

As my hon. colleague from Renfrew pointed out earlier, surely I could go to any Canadian taxpayer or the the Canadian business person and say: "For every dollar you give me, I promise you a 400 or 500 per cent return, a 4:1 or 5:1 ratio". Surely that is a wise investment of Canadian tax dollars to bring those revenues back to the Government of Canada, to create jobs in Canada and to continue to place Canada and Canadians at the front of the Canadian nuclear industry.

Mr. Wells: Mr. Speaker, I rise on a point of order. I understand our time is up for debate on this issue. Unfortunately I am not going to get the opportunity to deliver the tremendous speech I had prepared for this time.

I would like to go on record, with your permission, to advise the House that I was going to speak in favour of Bill C–285 and that I fully support the House referring this to the Standing Committee on Finance for—

The Acting Speaker (Mr. Kilger): That is not a point of order, but I guess the member was able to get his view on the record.

Under right of reply, the member for Kamloops. No one else will speak to the motion and this will close the debate in a maximum of two minutes.

Mr. Riis: Mr. Speaker, before I wrap up my comments, my hon. friend was obviously waiting for an opportunity to get in on the debate and I think has a speech with him. Would it be appropriate for the House to seek unanimous consent to have him table his speech as part of *Hansard*?

Some hon. members: No.

Mr. Riis: Mr. Speaker, there has obviously been a difference of views presented here this afternoon. I respect the views of my colleagues, although they are perhaps not exactly the same as my own. Others are similar and supportive.

I make two requests. The other day the minister announced that the government was to examine the whole nuclear industry and the support of that. The question was put to her at that time whether she would allow public input. At that point I think she mumbled a bit.

Some hon. members: Oh, oh.

Mr. Riis: She did not say she would. I say mumble because she made no commitment.

• (1915)

I would hope that after hearing the diverse views here she would say that legitimate views exist in the country and that she would agree to hold public hearings in all parts of the country to allow the public an opportunity to present its views.

Just on the long shot that people are generous here tonight, would there be any inclination on the part of my hon. friends to provide unanimous consent to send this to committee for further consideration?

The Acting Speaker (Mr. Kilger): There is no consent. The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96, the order is dropped from the Order Paper.

ADJOURNMENT PROCEEDINGS

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

IMMIGRATION

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, on February 8, I put my main question to the Minister of Citizenship and Immigration and a supplementary question to the Deputy Prime Minister regarding the deportation of Taramatie Ramsubhag and her three children, who are originally from Trinidad and Tobago.

The minister then asked me to bring any new information to his attention so that he could review this case on the basis on humanitarian considerations, which I did on February 10, when I personally gave a document to the minister and his parliamentary secretary. Although Mrs. Ramsubhag and her three children had adapted well to Quebec society, they were all ruthlessly deported the same day.

Furthermore, the minister rejected, without any sign of consideration or deference, a request by Quebec's Minister of International Relations, Cultural Communities and Immigration, Bernard Landry, to delay the deportation, to allow the Quebec government to consider issuing a certificate of selection.

The minister and his government did not show any respect or consideration for the numerous women's rights organizations begging them to grant Mrs. Ramsubhag permanent resident status in Canada. These organizations include Assistance aux femmes de Montréal, the Canadian Advisory Council on the Status of Women, Vancouver Status of Women, the Ontario Association of Interval and Transition Houses, the CNTU's national committee on the status of women, the Quebec women's federation, etc.

The minister showed an unacceptable insensitivity to this refugee claimant. Yet, he gave her aggressor and ex–husband a special permit allowing him to return to Canada. Is that the Liberal government policy on women who are victims of spousal abuse?

Mrs. Ramsubhag does not have a criminal record. Canadians and Quebecers will never understand the policy applied by the minister in this case, nor why immigration officers had to use force to arrest three children aged 9, 11 and 13. Under the circumstances, arresting these children without a warrant amounts to kidnapping pure and simple. Mrs. Ramsubhag also had to pay $800 to have her case reviewed by the same officials who wanted to deport her.

During the election campaign in September 1993, the Deputy Prime Minister promised that women who were victims of family violence and applied for refugee status would no longer be deported. However, so far at least two members of this group of women in Montreal have already been deported. What about the Deputy Prime Minister's commitment to defending women's rights? That the Canadian government should take this kind of action is appalling, especially the immigration officers who arrested the three children. This attitude is in stark contrast with the open and generous approach taken by the Government of Quebec, which had applied for a stay of execution to consider the possibility of giving the Ramsubhag family a Quebec certificate of selection.

I wish to commend the many womens' groups that sent letters to the minister, with copies to the critic for the Bloc Quebecois, as part of the campaign to defend the case of Mrs. Ramsubhag. I hope she will return to Canada, with her children, as a landed immigrant.

[*English*]

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration, Lib.): Mr. Speaker, Canada is universally recognized as having one of the fairest and most generous refugee determination systems in the world.

We were the first country to establish formal guidelines on gender persecution. It would not be, and the hon. member well knows this, appropriate to go into the details of an individual case on the floor of the House. However let me assure the hon. member that the application was reviewed in a most thorough and fair manner and the individual was found not to qualify as a refugee.

• (1920)

Similarly the case was reviewed in the light of our gender persecution guidelines three times and was examined for any special merit on humanitarian and compassionate grounds.

As the results of all these reviews were negative, the individual was obliged to comply with the removal order. We carried out the deportation order to uphold the integrity of the immigration system as a whole. The person did not qualify as a refugee but she is welcome to apply to immigrate to Canada through the normal channels.

I understand the Government of Quebec has shown interest in the case and under the Canada–Quebec agreement Quebec officials are welcome to facilitate her application for immigration to Canada for residence in the province of Quebec.

VIOLENCE AGAINST WOMEN

Hon. Audrey McLaughlin (Yukon, NDP): Mr. Speaker, on December 6, the National Day of Remembrance and Action on Violence Against Women, I asked the Deputy Prime Minister whether her government was committed to ensuring the continuation of core funding for essential services that help prevent, treat and counsel against violence against women. The minister answered at that time that her government would respect its

commitment to funding for women's shelters and other support services.

However since that time the review by the Minister of Human Resources Development has taken place. We have heard a lot of prebudget comments being made. Indeed there are Liberal members of Parliament who are advocating that these services to women's groups be cut or reduced.

As well, the federal government is considering combining transfers for social programs, health programs and post–secondary education to provinces and territories. One of the concerns in this regard of many groups across the country including myself is that it could break the social consensus that has been built in Canada. It has been one of the strengths of Canada that says that regardless of where one lives geographically and regardless of income there are certain standards of service that one gets as a right of a Canadian citizen.

It is also my feeling that these proposals to do this transfer without national standards would in the end hurt women more than men. Single mothers could lose many of the supports they now have. We know that is the group with the largest number of unemployed.

The Canadian Action Committee on the Status of Women estimate that violence against women adds at least $1 billion a year to the bill for health and related services in Canada. It is the time for zero tolerance of violence against women. Yet I do not see from the government or in the Deputy Prime Minister's response a true commitment in this regard.

We have the Minister of Justice introducing gun control legislation that he says will make women safer because of the number of women who are victims of violence. Yet there is no proof the legislation he is proposing would do that.

It seems hypocritical to me that there is one piece of legislation that we are told by the Minister of Justice will make women safer in their homes, again with no proof, and at the same time they are looking at either not funding at all or severely reducing funding for services that provide information, counselling and protection for women who have been victims of violence.

I was quite interested in doing my research to come across a letter written in 1990 by the opposition at that time to a women's centre. It stated that core funding cutbacks, that is those proposed by the former Conservative government, would have a devastating impact on women seeking shelter from family violence. That letter, by the way, was written by the now Solicitor General.

I want to ask again whether it is the policy of the government to have a real plan to combat violence against women or simply a public relations effort and whether in fact the government and the minister will be committed to having core funding for women's shelters to provide the services that help women who may be victims of violence.

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration, Lib.): Mr. Speaker, we have already demonstrated our commitment.

In 1994–95 for the women's program of HRD Canada the contribution was $4 million in core funding to a broad cross–section of women's organizations across Canada which carry out a clearly defined program of activities related to the areas of economic equality, social justice and access and participation.

In addition, the women's program and the disabled persons participation program of the same department are involved in the family violence initiative, providing approximately $5.5 million for community based initiatives to raise awareness and promote institutional change.

I remind the hon. member, and I know how very deep her commitment to this issue goes, that in the February 1994 budget, the women's program budget for group funding was spared from the 5 per cent across the board cuts made to other HRD programs. That is commitment.

This government has also moved quickly toward prevention of violence against women. We have taken prompt action in several areas. The Minister of Justice today tabled gun control legislation. As well there are the amendments to the Criminal Code's peace bond provisions to be proclaimed into force on February 15, 1995. These amendments will provide increased protection to women and other victims of violence before the courts.

That is commitment and it is a commitment we intend to carry on with.

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 38, the motion to adjourn the House is now deemed to have been adopted.

Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 7.26 p.m.)

HOUSE OF COMMONS

Wednesday, February 15, 1995

The House met at 2 p.m.

Prayers

STATEMENTS BY MEMBERS

[*English*]

SOCIAL PROGRAMS

Ms. Judy Bethel (Edmonton East, Lib.): Mr. Speaker, the premier of Alberta recently received a B–plus grade from the Fraser Institute for his government's approach to fiscal management and deficit reduction in my province. In its eyes he is an honour student.

However in another report card, one given by the people of Alberta, the premier received a failing grade for his approach in cutting essential services. The disapproval is growing. Some 69 per cent believe changes in health care services have been brought about irresponsibly while 67 per cent disapprove of how the province has handled cuts in education.

Albertans, like all Canadians, support leaner and more efficient government but they will not accept an assault on their most valued and essential services. The premier's approach may be praised by a few but it is not a responsible one in the eyes of many.

The federal government on the other hand will act responsibly in the upcoming budget by controlling spending and reducing waste. However we refuse to sacrifice the things that Canadians value most for the sake of a few accolades.

* * *

[*Translation*]

QUEBEC SENIORS' FEDERATION

Mr. Maurice Godin (Châteauguay, BQ): Mr. Speaker, the Quebec seniors' federation or Fédération de l'âge d'or du Québec celebrated its 25th anniversary yesterday. On this occasion, its president, Mr. Philippe Lapointe, reiterated the FADOQ's commitment to participate in the important discussions on sovereignty and on the reform of social programs, in which the Fédération was quick to support the students.

Seniors are currently taking part in the vital process of consultation on the future of Quebec. Every day, the Commission des aînés meets with many seniors who come to voice their questions, fears and aspirations.

Mr. Lapointe said the FADOQ would follow the debate closely. The Bloc Quebecois is delighted by the calm and watchful attitude of the FADOQ and hopes that its members will participate actively in the consultation process so they may define the country they helped build.

* * *

[*English*]

WESTERN ECONOMIC DIVERSIFICATION

Mr. Cliff Breitkreuz (Yellowhead, Ref.): Mr. Speaker, over the years western economic diversification has sunk taxpayers' money into all kinds of projects: the Custom Gourmet Coffee Shop, Dave's Pizza, Imperial Oil. Even Novatel had the pleasure of receiving taxpayers' dollars courtesy of WED.

Today taxpayers can take delight in knowing their hard earned dollars are going to yet another worthy project, the Artificial Reef Society of British Columbia. WED is loaning $160,000 to this group so it can buy a ship from DND. It wants to use government money to buy a government ship so it can be towed out to sea and sunk.

What an investment. To top it off this group claims it will pay WED off by selling salvaged boat parts. We hear old boat parts are selling like hotcakes. WED will be repaid its $160,000 in no time flat at the used boat flea market.

* * *

CANADIAN FLAG

Mr. Andrew Telegdi (Waterloo, Lib.): Mr. Speaker, I am pleased to inform the House of the visit to Ottawa today by Mrs. Cathy Ingram, a teacher at the Fellowship Christian School, and her students from the city of Waterloo. I am pleased they are in Ottawa today as we celebrate the 30th anniversary of Canada's maple leaf flag.

As a former refugee who came to Canada with my parents, brother and sister in 1957, I now have the privilege of represent-

ing the constituency of the federal riding of Waterloo. I bear witness to the idea of compassion, sharing and equity that Canadians represent and what our flag symbolizes.

Our flag represents a beacon of hope in a troubled world, a world that is too often torn by strife based on ethnic, race, religious and national intolerances.

Let each and every one of us appreciate the model that Canada represents and commit ourselves to working together to enhance what we have built—Canada.

* * *

DR. J. A. DOIRON

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I would like to take this opportunity to honour the life of a great Canadian and former Lieutenant–Governor who passed away recently.

Dr. J. A. Doiron was one of the first Acadians on Prince Edward Island to serve as the Queen's representative as Lieutenant–Governor.

Dr. Doiron was a true patriot both to his country as well as to his Acadian heritage. It was his belief that to understand the heritage of all Canadians was the first step in building a strong Canada. He took pride in serving as one of the only bilingual dentists on Prince Edward Island and was a member in many island francophone organizations. Dr. Doiron received honorary doctoral degrees in humanities, laws and the social sciences.

Perhaps one of his proudest moments was receiving the Order of Canada in July of last year. Dr. Doiron was a true gentleman, was loved by all who knew him and will be missed dearly by his family, friends and all Islanders.

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NATIONAL BIOMASS ETHANOL PROGRAM

Mr. Julian Reed (Halton—Peel, Lib.): Mr. Speaker, on December 21, 1994, the National Biomass Ethanol Program was announced committing up to $70 million in contingent loan guarantees to ethanol producers.

• (1405)

On behalf of the ethanol task force, I wish to thank the Prime Minister, the Minister of Agriculture and Agri–Food and the Minister of the Environment for their commitment to making domestic ethanol production a reality.

This program has already inspired nearly $300 million in private investment for two ethanol plants in Ontario alone. These plants are expected to create 1,500 construction jobs, 150 permanent jobs and add $175 million annually to the local economies of Chatham and Cornwall.

As the name of the program suggests, this is a national program and all of Canada will benefit from this announcement. Canadians will now be able to use renewable, clean air fuel which is domestically produced from Canadian biomass.

* * *

[*Translation*]

CHIAPAS

Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ): Mr. Speaker, the Bloc Quebecois is delighted at the decision by the Mexican president, who ordered the army, yesterday, to stop its offensive action in Chiapas and who proposed a truce to the rebels of the Zapatista National Liberation Army.

We hope that the resignation of the governor of the state of Chiapas will help bring peace once again to the region.

Let us hope now that the Mexican government will take whatever steps are required to improve the appalling living conditions of the Indians in the state and that it will succeed in changing the region's political and economic structures in the near future, so that the claims of the people of Chiapas may be defended fairly within the law. By proposing to bring a return to peace and avoid armed confrontation, the Mexican government is giving us hope for the future.

* * *

[*English*]

DANGEROUS OFFENDERS

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, on Sunday, February 12, 1995, 2,500 citizens of Surrey, B.C. braved the elements to join Mr. and Mrs. Steven Carpenter's walk in memory of their daughter Melanie who was tragically slain in early January.

Today in my riding, the citizens of Cranbrook, British Columbia are conducting their own march in support of the Carpenter family and to speak out against early parole of dangerous offenders. The march is spontaneous. It is grass roots. I commend the efforts of my constituents and only wish I could join them.

Fernand Auger, the suspected assailant of Melanie Carpenter, only served two–thirds of his sentence and was obviously not rehabilitated, let alone ready to be released into society.

The Liberal government has shown in the past that it is not interested in listening to the concerns of Canadians. I therefore implore the justice minister to listen to the hundreds of thousands of Canadians who are worried for the safety of their families and support my Reform colleague's Bill C–240 which would prolong the detention of these high risk offenders.

THE BUDGET

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, as we approach the release date of the federal budget, Canadians are expressing some very strong opinions about what should be and should not be contained in that budget.

One thing we should not overlook in this process is that the current emphasis on expenditure cuts will leave people living in rural areas of Canada more adversely affected than their urban neighbours.

If the emphasis remains where it is today, the reduction in rural services, which began with former Prime Minister Brian Mulroney's cuts and closures to post offices, will continue in transportation and rural support services. For example, the national highways program is threatened, the rail system is under attack and rural local airports have lost support.

Rural residents will find that they have to go further and spend more money to maintain their quality of life because of these and other cuts.

The policies expressed and implied by the federal finance minister are not being delivered in a fair or even handed way and Canadians should take note of this.

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CANADIAN ARMED FORCES

Mr. Gordon Kirkby (Prince Albert—Churchill River, Lib.): Mr. Speaker, over the past number of weeks Canadians have expressed abhorrence concerning videotaped hazing rituals and other deplorable conduct that has occurred within our military service.

The reputation of the Canadian military has been significantly harmed by these revelations. To suggest that these activities are innocuous or nothing more than male bonding essential to teamwork is an affront to dignity and common sense.

What we have witnessed is human degradation, racism and other completely unacceptable activities. The Minister of National Defence has acted prudently, expeditiously and decisively in order to send a clear message from the bottom to the top of the military establishment that these activities are a disgrace to our proud military tradition and that they will not be tolerated now or ever.

I commend the minister and those within the department who are working hard to restore integrity and professionalism in the military and to restore its now tarnished image.

S. O. 31

DR. GEORGE STANLEY

Mr. Andy Scott (Fredericton—York—Sunbury, Lib.): Mr. Speaker, as a New Brunswicker, I am pleased to pay tribute today to Dr. George Stanley.

• (1410)

Dr. Stanley is a former Lieutenant–Governor of New Brunswick and a key player in designing the Canadian flag.

During Dr. Stanley's tenure as dean of arts at Canada's Royal Military College in Kingston, he drew a design of a maple leaf placed on a red and white background. This design Dr. Stanley modelled after the college's own flag.

On February 15, 1965, the maple leaf was raised over Parliament Hill. To quote Dr. Stanley:

> A flag is more than a means of identification. It is the embodiment of what a country stands for: It is the symbol of the ethos or spirit of a people, its aspirations, its will to live and its determination to play its role in history.

How true are those words, Mr. Speaker. I add that our flag is also the symbol of unity, one that speaks for all the citizens of Canada.

* * *

[*Translation*]

REPRODUCTIVE TECHNOLOGIES

Mrs. Madeleine Dalphond–Guiral (Laval Centre, BQ): Mr. Speaker, a decision handed down by the Ontario Court highlights the need to adopt legislation to establish the legal and ethical framework for new reproductive technologies. After separating from his wife, a man was declared the legal father of a female child, although the child was conceived by artificial insemination from an unnamed donor.

In the absence of legislation on new reproductive technologies, the judge gave priority to the child's interests, but there is nothing to say that this will always be the case.

This situation points to the important impact of new reproductive technologies on the people who use them. The government has not yet stated that it will soon introduce a bill to prevent potential abuses in this area. Is it waiting for a mockery to be made of children and parents' rights before taking action?

* * *

CANADIAN FLAG

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, 30 years ago, I was moved by a ceremony at the Citadel in Quebec during which the Canadian flag was hoisted for the first time.

[*English*]

I was impressed then, as I was two hours ago, to stand on the lawn in front of this building to participate again in a memorial to our flag of 30 years.

I would ask Canadians in this House to join me right now in singing *O Canada*.

[*Editor's Note: Whereupon members rose and sang O Canada.*]

The Speaker: Colleagues, a little earlier in the House one of our members, as I said, was using a prop. He used the Canadian flag. I am very hard pressed to intervene at any time.

I am not sure the statements were designed for the singing of a song, but I am very hard pressed not to have you, the members of the Parliament of Canada stand and sing our national anthem. In keeping with this, I was going to wait until three o'clock, but I think I will proceed now.

• (1415)

I would like to introduce to members and to all of the citizens in Canada the two designers of our Canadian flag, Mr. Stanley and Mr. Matheson who are with us today.

Some hon. members: Hear, hear.

ORAL QUESTION PERIOD

[*Translation*]

TRANSFER PAYMENTS

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, yesterday, the Prime Minister said in this House that his government was preparing to offload financial responsibilities on the provinces without giving them sufficient resources, let alone tax points, to deal with this new development.

Would the Minister of Finance confirm that in his next two budgets, thus reflecting what was said by the Prime Minister, he is planning a wholesale shift of certain federal commitments to the provinces, without transferring the requisite financial and fiscal resources?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, yesterday we had an excellent meeting and some very useful discussions with the provincial Finance ministers. I presented them with the main parameters of the reforms we have in mind. First of all, I told them there would be no surprises and second, before anything is done affecting the provinces, we will first look at federal spending. I think the message was very well received and that these discussions came at the right time. I am very pleased with the meeting we had yesterday.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, would the Minister of Finance agree that no matter how he intends to shift the burden of financial problems on to the provinces, nothing will change as far as the Canadian taxpayer is concerned, since if the federal government manages to lighten its debt load by transferring part of it or part of the deficit to the provinces, as far as the average citizen is concerned, the financial problem remains the same? Would he agree that is basically what his approach boils down to?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the answer is, of course, no. We are not dumping our problems on the provinces. Yesterday's discussion was about the fact that we have a national problem, at the federal level and at the provincial level. The Quebec Minister of Finance agreed, incidentally. Upon leaving the meeting, he said there was a consensus on the need for all levels of government to work together. And that is what we intend to do.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the Minister of Finance may wish to refer to certain statements by the ministers, including the minister from Quebec who said that this approach would become a disaster for Quebec in 1996.

Would the Minister of Finance agree that his decision to postpone until next year the drastic cuts he intends to make in transfer payments to the provinces for social programs financing was made in order to avoid weakening the federal position on the eve of the referendum? Will he be frank and forthright and admit that major cuts are to be postponed until next year, for purely political reasons?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, in our last February budget, we made it very clear to the provinces that we intended to examine the matter of transfer payments in 1996–97. In other words, what we did yesterday was entirely in line with what we said in our last budget.

Second, what I did yesterday and my announcement about the one year postponement was something we promised in the red book, and I would advise the hon. member to read his copy again.

• (1420)

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot, BQ): Mr. Speaker, during his meeting with his provincial counterparts, the federal Minister of Finance carefully avoided discussing the issue of the GST replacement which, according to the commitment made in the red book, should normally be implemented next year. I would ask him to reread the red book, since the commitment was made in it.

My question is for the Minister of Finance. Will the minister concede that he refused to discuss the issue of reforming the GST because Alberta, and especially Quebec, want nothing to do with a national sales tax that would limit their freedom to tax when Ottawa is also preparing to reduce transfer payments to the provinces?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the specific purpose of yesterday's meeting was to exchange points of view on budgetary issues because the federal government is getting ready to table its budget, and several provinces, for example Saskatchewan and Alberta, will also be tabling theirs very shortly. So, the meeting was quite short and its only objective was really to air viewpoints on the upcoming budgets.

Furthermore, I do not need to reread the red book; unfortunately or fortunately, I know it by heart.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, how can the Minister of Finance plan, on the one hand, to reduce the provinces' transfer payments, which will cause a shortfall in social program funding, and on the other, to shrink their tax bases by putting in place a Canada-wide sales tax which would replace provincial sales taxes? Can he explain this to us?

[*English*]

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, in yesterday's meeting which I must say was very constructive all the provincial finance ministers without exception basically recognized that we have a huge problem at the federal level and at the provincial levels and that it is crucial we work together to solve it. That is really the spirit that animated the entire meeting.

As far as the sales tax is concerned, that was not the purpose of the meeting. I find it incredibly difficult given the tremendous desire of the business community and consumers across this country in every province, including Quebec—all one has to look at is the Conseil du patronat, the consumers associations in Quebec—that everybody in Quebec wants a national sales tax so that we can lower the cost and make it fair.

The only people I know who are against it are Bloc Quebecois members. Then again, they are against everything.

* * *

TAXATION

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, after weeks of telling this House that he could not reveal the contents of the budget, the finance minister appears to have spilled the beans to his provincial counterparts and the national media. He indicated yesterday that he intends to raise taxes on corporations and so-called better off Canadians.

At what levels of household income does one become a better off Canadian and therefore a target for a tax increase?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the discussion we had yesterday with the provincial finance ministers, which was actually the second because we had one prior to the last budget, was very worthwhile. It is really part of making federalism work when finance ministers can sit down and basically off the record exchange views and build a common consensus. It was very good.

I did not go into complete detail. What I did was provide the broad outlines, and they did as far as I was concerned.

The point I made yesterday in terms of taxes was that I pointed out what I thought was a reasonably perceptive glance into the obvious. However, I will draw it to the member's attention again. We are going to close loopholes. To the best of my knowledge it is not the poor in this country who are utilizing loopholes.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the Minister of Finance of all people must understand the impact of tax increases on the economy. If tax levels or other charges paid to governments are increased, one effect is to drive capital, jobs and companies out of the country.

Canada Steamships, for example, which is owned by prudent and patriotic people, has registered a number of its vessels under foreign flags of convenience to no doubt avoid paying astronomical registration charges, et cetera.

• (1425)

Does the minister not agree that there will be a flight of capital, companies, jobs and productive individuals out of Canada if they are the targets of tax increases in the next budget?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I would suggest to the leader of the third party that if he wants to go into the details of any company with which I happen to have had some association all he has to do is talk to the Ethics Commissioner who would be delighted to lay the whole thing out in front of him.

I would also suggest that if the leader of the third party wants a lesson in international taxation I am sure that some of his colleagues might explain it to him so that he might begin to understand it.

There is no doubt that any country must be competitive in its tax policies. I can assure the hon. member that we are not the party that brought in 39 tax increases in a row. We are the party

that in the last budget dealt very fairly with the whole question of taxes. I do not believe that corporate Canada is so shaky that making the tax system fairer is going to make it leave the country.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the present premier of Ontario was chosen as citizen of the year in Buffalo, New York because his tax and spend policies drove so many companies across the line to Buffalo, New York.

Is it the aim of the finance minister to become citizen of the year in Panama by including tax increases in his next budget?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, it is not the height of my ambition to stand up in this House and defend the current premier of Ontario.

All I can say to the hon. member is that he is obviously a far greater expert on taxation in Panama and so I will let him answer his own question.

* * *

[*Translation*]

GUN CONTROL BILL

Mrs. Pierrette Venne (Saint–Hubert, BQ): Mr. Speaker, my question is for the Minister of Justice.

After stalling for over five months, the Minister of Justice finally decided to table his gun control bill. This bill represents a retreat from the government's original intentions, especially with regard to handguns.

Since the minister claims to be settling an urgent social problem, why must we wait at least eight years for his bill to have an effect?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the hon. member knows full well that this legislation has the support of the vast majority of Canadians, particularly Quebecers.

As I mentioned yesterday, I am disappointed at the approach she is taking to this initiative. I would call upon the hon. member to stand with this government in support of this legislation to see it enacted as soon as possible.

In the meantime, let me address the specific questions asked by the hon. member. With the enactment of this legislation commencing in January of next year the registration system will be under way. Two years after that the registration of firearms will commence. By reason of incentives for early registration we fully expect that registration will be in place within two or three years of the undertaking of the program, which I think is an objective for which we should all work together.

[*Translation*]

Mrs. Pierrette Venne (Saint–Hubert, BQ): Mr. Speaker, are we to understand that this eight–year delay is the price the minister had to pay for the support of his Liberal colleagues and the cabinet?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the implementation of the registration program is timed and organized as a rational and sensible approach to the implementation of such a program on a national scale. It is the way it should be done to be done properly.

* * *

CANADIAN ARMED FORCES

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, the news reports today that Lieutenant Colonel Alan Stephens, Commander of the Canadian Logistics Battalion in Croatia, was on Saturday relieved of his command for inappropriate conduct. Will the minister provide the House with the details of this incident as he knows them?

• (1430)

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the hon. member obviously knows that with respect to the privacy of the individual concerned, while investigations are pending I cannot make any comment.

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, I am still looking for information.

The Royal Kingston Curling Club hosted the Labatt Tankard competition over the weekend. For no apparent valid reason, a team of five Canadian forces video technicians spent three days on full pay and allowances filming the event. As a result, they were unable to film military activities for which they had been scheduled.

Can the minister explain to the House the rationale which has a military video team filming a civilian event at the expense of a valid military commitment?

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I think Canadians are getting sick and tired of this line of questioning.

The Canadian Armed Forces not only discharges its very noble efforts outside the country but assists many Canadians, worthy causes and communities in local events across this country. They just assisted with the flag ceremony outside the House of Commons.

I really do not want to politicize this too much, but is the Reform Party saying that the Canadian Armed Forces has no business helping communities with their local events? Is that what he is saying?

[*Translation*]

NATIONAL DEFENCE

Mr. Jean–Marc Jacob (Charlesbourg, BQ): Mr. Speaker, my question is for the Minister of National Defence.

Yesterday in this House, in responding to a question I asked him, the Minister of National Defence did not seem to know about the Eagle River exercise, which is nothing but a sumptuous fishing trip at Canadian taxpayers' expense.

Did the Minister of National Defence make inquiries and can he assure us that there was no Eagle River exercise or any other similar activity in 1994?

[*English*]

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, one of the reasons I said this should be put on the Order Paper yesterday is that I could not believe the hon. member was asking a question about a facility that was closed two years ago and before this government came into power.

As far as I am concerned that facility is closed. The province of Newfoundland has indicated some interest in taking it back. That is all I have to say.

[*Translation*]

Mr. Jean–Marc Jacob (Charlesbourg, BQ): Mr. Speaker, I still think that the minister did not answer my question. I asked him if there had been other similar activities. I did not get an answer.

Did the Minister of National Defence issue directives to Canadian Forces officers forbidding them to organize activities similar to the Eagle River exercise and, if so, will he table them in this House?

[*English*]

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I am not sure to which activities the hon. member is referring, but I will certainly take this as a representation and draw it to the attention of the chief of defence staff.

* * *

SPORTS CANADA

Mr. Hugh Hanrahan (Edmonton—Strathcona, Ref.): Mr. Speaker, Sports Canada receives $64 million a year to help Canada's athletes. Unfortunately a paltry 8 per cent or approximately $5 million of that $64 million actually reaches Canadian athletes. Over $42 million is being spent to administer a huge, cumbersome sports bureaucracy.

My question is for the Minister of Canadian Heritage. Is Sports Canada there to benefit the athlete or the bureaucracy?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, our colleague presumably must have been listening to my speeches. I have said repeatedly that I consider the athlete should have first priority. And I have done more than say it. We are in the process of putting into place a sports funding and accountability framework that will ensure at long last that the athletes receive the rewards they deserve.

Mr. Hugh Hanrahan (Edmonton—Strathcona, Ref.): Mr. Speaker, Canadians want action, not more studies. Will the minister act to rectify the gross mismanagement in Sports Canada?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, I already gave the answer. We are acting. We are putting policy into place with no more studies but action from now on.

* * *

• (1435)

[*Translation*]

BLOOD SUPPLY SYSTEM

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

The minister herself claims that everything is now being done to ensure the quality of blood products and the safety of the blood supply in Canada. But we learned that the Canadian Bureau of Biologics has yet to approve two factor IX products used to treat haemophilia B.

How can the minister justify that these products, which are purer and of higher quality than existing products, have not been approved by the Canadian Bureau of Biologics after more than two years?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, we have taken the necessary steps, i.e. the steps that can be taken at this time to ensure the safety of the blood supply system, and we will continue to do so.

This does not mean that we are closing the door to new developments or new measures. If you have any information that may help us, by all means, share it with us and we will act on it.

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, does the minister realize that, because these drugs have not yet been approved by the Canadian Bureau of Biologics, some doctors have to use lower quality products to treat haemophilia B? Does she not realize that?

[*English*]

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, there is a process for approval of drugs within the Department of Health. This process is based on scientific study of the

products being offered. That process is ongoing. The idea is to ensure the drugs that are approved are safe and effective. That is what our job is about and the orders I give Health Canada ensure the safety and the health of Canadians.

* * *

EMPLOYMENT

Mr. Tony Valeri (Lincoln, Lib.): Mr. Speaker, my question is for the Minister of Human Resources Development.

Young people in Canada experience the highest rate of unemployment due to the legacy of nine years of Tory mismanagement of the economy. What has the minister done to make sure there is hope, opportunity and jobs for our young people in Canada?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, it is important for us to point out that since October 1994 we have been able to achieve some 60,000 new jobs for young people in this country. The unemployment rate is now down to its lowest level since 1990. Of those 60,000 jobs, over 15,000 were as a direct result of initiatives we have taken under strategic initiatives of the red book policies.

For example, one important initiative has been partnerships with both business and labour in areas like electronics, horticulture, tourism, and car repair. Over 5,000 young people are now involved in major apprenticeship and internship programs working with private industry so they can get good careers for their future. We hope to have close to 20,000 enrolled this year in that very good program.

* * *

GUN CONTROL

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, the Minister of Justice knows that a number of countries have tried to implement a universal firearms registration system. Can the minister tell us, how do successful universal firearms registration systems work in reducing violent crime in those countries and what percentage reduction can we expect in Canada?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the connection between universal registration, reduction in crime and increase in community safety is sufficiently obvious that today the initiative of this government was endorsed by the Canadian Medical Association.

May I say as well that if the hon. member does not find my explanation for the justification sufficiently persuasive, then perhaps he can ask the question of others who endorse it. Did I mention that they include the Canadian Association of Chiefs of Police, the Canadian Police Association, the police services boards from Brandon, Manitoba; Calgary, Alberta; Edmonton, Alberta; Moose Jaw, Saskatchewan; Nova Scotia; the Ontario Association of Chiefs of Police; Sudbury Chief of Police; the Thunder Bay police—

• (1440)

Mr. Speaker: The hon. member for Yorkton—Melville.

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, as usual, the minister is skating around the issue and is not answering the question.

Many countries have tried registration and he knows they have abolished it. The minister will not do an evaluation as the Auditor General has recommended. We know that registration will not work but surely the minister must know that lives will not be saved.

My question very simply is: How will this minister measure success? How will he do it?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, we shall measure success by providing the police forces of this country with a tool they have been asking for, for a dozen years.

* * *

[*Translation*]

AIR TRANSPORTATION

Mr. Paul Mercier (Blainville—Deux-Montagnes, BQ): Mr. Speaker, my question is for the Minister of Transport.

Next week, the Prime Minister is scheduled to ratify with President Clinton a treaty to liberalize Canadian-American air space and provide Canadian carriers better access to the lucrative U.S. market, particularly at the New York and Chicago airports.

Since the Minister of Transport deprived Air Canada of the very lucrative Asian market, to the benefit of Canadian International, can he tell us if, this time, he intends to favour Air Canada as regards access to the U.S. market?

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, first, the question asked by the hon. member is based on an absurd statement. Indeed, since I was appointed Minister of Transport, the government granted Air Canada access to the new Kansai airport, in Osaka. Air Canada also has flights to Seoul, in South Korea, and has landing rights in Singapore, even though it does not go there. You can rest assured that when the time comes to allocate U.S. routes, assuming the bilateral agreement with that country is ratified, we will—as we have always done—ensure a balance and a reasonable sharing of the benefits for the two Canadian airlines.

Mr. Paul Mercier (Blainville—Deux-Montagnes, BQ): Mr. Speaker, the minister knows that Hong Kong is a more important destination than Osaka. Does he not agree that his decision to

reserve international routes for only one carrier, except for the U.S. market, is likely to favour Canadian International, at the expense of Air Canada, whose employees are mainly located in Montreal?

[*English*]

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, the hon. member should recognize that it is government policy to recognize there are two great Canadian airlines in this country: Air Canada and Canadian Airlines International.

What we have achieved with respect to what we hope we will be able to sign when the president comes to Canada is something that has been worked on in this country for nearly eight or nine years.

I would have thought that instead of playing petty parochial politics the hon. member would have recognized that Canadians from coast to coast in every province and both airlines have accepted this deal as the biggest step forward in Canadian aviation history in the last 15 years.

* * *

CITIZENSHIP AND IMMIGRATION

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, the Ministry of Citizenship and Immigration sponsored a meeting and flew writers and bureaucrats on short notice to a four star west coast hotel to ask them: What should we do with the citizenship oath? The meeting was purposely kept secret and the new so–called pledge omits the head of state.

• (1445)

Was the minister aware of this meeting and does he approve of its final result, a pledge that is no longer an oath that leaves out any and all mention of the Queen?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Yes, Mr. Speaker, I was aware of the meeting. The recommendation to the government to hold such a meeting to bring together Canadian writers was by the Standing Committee on Citizenship and Immigration, and the Reform Party agreed with the recommendation.

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, I am aware of the recommendation of the standing committee. However they did not recommend a secret meeting.

On this day 30 years ago Canadians chose their new flag in an open forum that included the whole country. Today the minister uses backroom politics in a four–star hotel to try to slip in a new oath by Canadians on the sly. Canadians are saying: "Stop the secrecy but above all stop the waste".

Will the minister tell Parliament that he will put a stop to these backroom meetings and that any future changes of such profound importance will be brought before the Canadian people as was done 30 years ago?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, the member's long preamble is simply absurd. The member knows full well—he was a member of that committee—that one of the major recommendations was to try to engage some leading Canadian writers to bring some vigour to a Canadian oath, to a charter of values for Canadian citizens.

Rather than undermining the voluntary efforts of the 10 writers who came together, he should be complimenting those Canadians who are prepared to give of themselves like Canadians gave of themselves 30 years ago for the flag.

* * *

[*Translation*]

PUBLIC SERVICE

Ms. Marlene Catterall (Ottawa West, Lib.): Mr. Speaker, my question is for the President of the Treasury Board.

[*English*]

The previous government had a clear bias toward contracting services within the public service, with little control on the costs, numbers or quality of this shadow public service.

What means will the minister take to rigorously examine and restrain contracting so that public service employees do not lose their jobs while the shadow public service continues to prosper and grow?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, this is a close encounter. The government does not have the bias of the past government with respect to the matter of contracting out. We believe in getting best value for the taxpayers' dollar and ensuring efficiency and effectiveness in how we spend those dollars.

In respect of the downsizing that will be occurring, certainly we will want to look at it very carefully and take into consideration the concerns the hon. member has raised here today.

It is our effort to treat our employees fairly and reasonably. We will make every effort to try to put them in other jobs if their current positions have been declared surplus.

However the whole question of contracting out is also a matter that is before the government operations committee.

Oral Questions

TAXATION

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, my question is for the Minister of Finance who has obviously been hearing like the rest of us about a lot of taxpayers who are fed up with hitting the wall. Some taxpayers have not hit the wall. Some taxpayers have never even seen the wall and others have jumped over the wall.

Over the last few days the minister has talked about tax loopholes. I am pleased to hear him actually using that term as part of his vocabulary these days.

Will the minister as part of this theme seriously address the fact that capital gains in Canada are not taxed as other income as we find in the United States? People who inherit vast amounts of money do not pay tax. Would he consider the mother or father of all tax loopholes, the family trust, and remove that tax option in his budget?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, as I have said in the House on numerous occasions I will not comment on specific suggestions. When bringing down the budget I will obviously give an answer to the member's question. In the meantime I will take it as representation.

• (1450)

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, in the theme of fairness that the minister has commented on so much recently, would he ensure in whatever provisions he brings down in his budget that urban Canadians and rural and small town Canadians take an equal hit?

There is a lot of concern out there right now, particularly around the whole matter of transportation policy and so on, that rural and small town Canadians will be adversely affected by the budget much more than urban Canadians.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I assure the hon. member that a great deal of effort has gone into and is going into making sure that the budget is fair.

The comments of the hon. member are well taken. Between urban Canadians and rural Canadians, in fact between Canadians in each region of the country the budget must be fair.

If we are to face up to the tremendous problem of the debt and the deficit, it is clear the budget will only be accepted if Canadians feel that everybody is bearing their fair share of the burden. I can assure the hon. member that is our intention.

[*Translation*]

30TH ANNIVERSARY OF CANADIAN FLAG

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, my question is for the minister of heritage. Canada is celebrating the 30th anniversary of the flag today, at a cost of a million dollars in this era of budget cuts, while the 25th anniversary was only marked by a simple ceremony on Parliament Hill.

How can the minister explain why the government will invest over one million dollars this year, half of it in Quebec the year the referendum will be held, when a simple ceremony sufficed for the 25th anniversary?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, I have several things to say in reply. The first is that in the year of the 25th anniversary, the government in power was perhaps not interested in Canada's symbol, was perhaps was not as interested in the Canadian flag as we are.

The figures you gave were wrong. Only 25 per cent, not 50, of the budget for the event will be spent in Quebec. I was asked how many flags there were, and I can say that approximately 30 per cent of them are for Quebec. You were misinformed, Madam.

The Speaker: I would like to remind the hon. minister to always address the Chair.

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, instead of clumsily justifying himself, why does the minister not just admit that we have a clear case here of a vast federal propaganda campaign gearing up in Quebec during the year of the referendum?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, my colleagues may suppose that I am using the 30th anniversary of the flag to detract attention from a referendum that has not even been called yet. I would say that some people have a very narrow mind on these issues, so narrow that their ears are stuck together from the inside. Now I understand why they need to separate to broaden their vision and their minds.

The Speaker: Sometimes, these exchanges give me such a headache. Let us move on.

* * *

[*English*]

GUN CONTROL

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, my question is for the Minister of Justice.

Many Canadians feel that the Achilles' heel of the gun legislation is the registration of long guns, not of handguns nor the other aspects of the bill but the registration of .22s and shotguns.

The justice department considers that the cost may be as much as $85 million and others have said considerably more over five years. Could the Minister of Justice tell the House whether this money would not be better spent in cancer research or, better yet, not spent at all in so far as this is money we have to borrow from future generations for registration and there is no proof that it will do one iota of good?

• (1455)

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, in the first place may I say that the estimates as to costs which the Department of Justice has arrived at will be put in detail before the parliamentary committee that will consider the legislation. It will examine our assumptions. It will see our calculations. We will establish that they are real and that they are dependable.

Second, may I say that the registration system, together with the other elements of this package in the bill, are going to save lives in the country. May I close by saying that I am not the only one who believes in that.

May I point out that a survey done by the hon. member in his own riding established that 69 per cent of the respondents agreed with registration. I would like the hon. member to tell the House whether he is going to vote with his constituents on this issue.

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, I am delighted to have the opportunity to advise members opposite that I was elected by 100 per cent of the people who voted for me for three very distinct reasons. The first was to get our nation—

Some hon. members: Oh, oh.

The Speaker: Usually the answers are to my right and the questions are on the other side. Would the hon. member please put his question.

Mr. McClelland: Mr. Speaker, I will vote in absolute fidelity to the best wishes of my constituents.

I have a supplementary question for the Minister of Justice. It is a most serious question because we are facing a most serious debt crisis in the country.

Will the minister, before universal registration of long guns is implemented, bring before the House the quantitative information that will attest to the veracity of his decision to register all long guns before it is implemented?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I have already made it clear that we will put the details of our calculations before the committee.

In so far as the wisdom of the registration system is concerned, first we rely upon the advice of the experts, the police chiefs across the country who have been asking for this for years.

We say as well that if the approach advocated by the hon. member was to have been taken by the person who first proposed a traffic light at an intersection it would never have been installed.

* * *

JUSTICE

Mrs. Jane Stewart (Brant, Lib.): Mr. Speaker, several women in my riding are extremely concerned about the ability of defence lawyers to subpoena the confidential records of sexual assault crisis centres for use in court. They are afraid that the protection gained by the rape shield legislation is being eroded as lawyers use a back door to gain access to their confidential information.

What actions will the Minister of Justice consider taking to ensure that the personal records of assault victims remain confidential?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I am well aware of and share the concerns identified by the hon. member.

The House should know that at my direction as Attorney General the federal government intervened in a case recently argued before the Supreme Court of Canada in which the circumstances under which such evidence can be compelled and the circumstances under which it can be introduced at trial were canvassed and argued.

In that case the federal government argued that the Supreme Court of Canada should adopt and strengthen guidelines stipulated by the Court of Appeal of British Columbia to protect sexual assault centres from harassment. The court reserved its judgment and we will await the disposition.

• (1500)

Let me make it clear to the House that if necessary the federal government is prepared to introduce legislation under the Criminal Code to ensure that we strike the right balance between full answer and defence on the one hand and the freedom of sexual assault centres to operate without harassment.

* * *

PRESENCE IN THE GALLERY

The Speaker: Colleagues, I would like to draw your attention to the presence in the gallery of Mr. Trevor Pinnock, Artistic Director and Principal Conductor of the National Arts Centre Orchestra who will soon be representing Canada in a major European tour.

Some hon. members: Hear, hear.

POINTS OF ORDER

COMMENTS DURING QUESTION PERIOD

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, for the record I would like to correct a factual error that was made by the Minister of Citizenship and Immigration in answer to my question.

The Speaker: Perhaps the hon. member might consider another avenue. Question Period is over. I sense that this would probably be getting us into a debate.

If the hon. member wants to correct something that the hon. member said I would accept that but to correct another member would be out of order.

Mr. Mayfield: Mr. Speaker, I would like to state that I was not a member of the Standing Committee on Citizenship and Immigration at the time the decision was made to have a group of writers write a new oath.

* * *

PRIVILEGE

STANDING COMMITTEE ON HUMAN RESOURCES DEVELOPMENT

The Speaker: My colleagues, I am now ready to rule on the question of privilege raised by the hon. member for Saskatoon—Clark's Crossing on February 6, 1995 concerning media disclosure of the report of the Standing Committee on Human Resources Development prior to the report's presentation to the House.

[*Translation*]

I thank the hon. member for bringing this matter to the attention of the House. The hon. member submits that the privileges of the members of the House of Commons have been breached because this report was given to the media before being tabled in the House.

[*English*]

The hon. member pointed out that until they are presented in the House committee reports should remain confidential. On this he is absolutely correct. However, as all members are aware, the Speaker is loath to intervene in committee matters unless difficulties arising in committee are brought to the attention of the House by way of a report from the committee. This tradition has been outlined by many Speakers before me and in particular by Speaker Fraser on November 7, 1991 in a ruling on a question of privilege involving committee proceedings.

[*Translation*]

In circumstances similar to those currently before us, a standing committee might decide to examine the matter of a breach of confidentiality and decide to report it to the House. Only then can the Speaker intervene.

Although I do not find a prima facie question of privilege in this situation, the premature release of a committee's confidential information is nonetheless a very serious matter.

[*English*]

In his submission the hon. member further noted that as an associate member of the committee in question he was denied access to the report.

Let me remind the House that the role of associate members, as outlined in Standing Order 104(4), is basically two–fold. They can be designated by a standing committee for membership on a subcommittee it establishes and, as such, become full members of that subcommittee and enjoy all the rights of a permanent member.

• (1505)

They can also serve as substitutes in the committee for which they have been named as associate members, thereby having the same rights as those of the permanent members they are replacing.

However, in the case now before the House these situations did not occur. Furthermore, according to citation 766 in *Beauchesne's* sixth edition, non–members of a committee normally retire when the committee is about to deliberate upon its report.

Therefore, in this case the fact that the hon. member was not given access to the draft report does not, in the view of the Chair, constitute a breach of his privileges.

Finally, the issue of confidentiality is one of great importance for the House. I would remind all members of their obligation to see to it that the confidentiality of committee deliberations and reports is respected.

ROUTINE PROCEEDINGS

[*English*]

GOVERNMENT RESPONSE TO PETITIONS

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

* * *

GOVERNMENT EXPENDITURES

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Madam Speaker, I am pleased to table, in both official languages, a document that outlines the expenditure management system of the Government of Canada.

[*Translation*]

RAILWAY SECURITY

Hon. Douglas Young (Minister of Transport, Lib.): Madam Speaker, pursuant to Standing Order 32(2), I have the honour to table, in both official languages, the report of the committee reviewing the Railway Safety Act.

* * *

MANAGEMENT OF GOVERNMENT SPENDING

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Madam Speaker, I am pleased to table before this House a document on the expenditure management system of the Government of Canada, which describes the government's new decision–making process in matters of programs and expenditures.

[*English*]

With this overhaul, the first in 15 years, we ensure the system responds to today's economic and fiscal realities. It recognizes the way this government has been doing business since elected in October, 1993.

To reduce spending to meet our fiscal targets and to free up resources for reallocation to new priorities requires that we make tough spending and program choices. Our ultimate objective is to deliver quality programs and services within the resources that Canadians can afford.

We are demonstrating to Parliament and to all Canadians that we are fulfilling our red book commitment to fund new initiatives through reallocating expenditures, not with new money, not with adding further to the debt, but to set our priorities by reallocating for new expenditure items.

The document outlines the formal mechanisms that will foster greater fiscal responsibility and help this government to meet its targets.

I would like to bring to members' attention some of the system's major features, quite briefly. It formally eliminates central policy reserves. It integrates practically all decisions about spending into the budget planning process. The document clearly outlines the cycle that will now be followed.

We will deliver information on program performance to Parliament in better and more timely ways. Departments will produce documents on the outlook for their program priorities and expenditures over the next few years and provide them to Parliament. These documents will increase parliamentary involvement by assisting the standing committees in fulfilling their mandates to examine future year expenditures, trends and priorities. These outlook documents are new to this Parliament and expand the involvement and role of members of Parliament in the budgeting and estimates process.

We will adjust these processes over the next few years. It will take some evolutionary time as we gain experience with them.

[*Translation*]

I am confident that they will help us make the difficult decisions that are involved in providing quality services and reducing the cost of government.

• (1510)

Mr. Richard Bélisle (La Prairie, BQ): Madam Speaker, I must tell the President of the Treasury Board that I will carefully read the document he has just tabled on the expenditure management system of the Government of Canada.

Like all Quebecois and Canadian taxpayers, I am concerned about the current management of federal public expenditures. In view of the information supplied to us every year by the Auditor General, it is high time for the federal government to make an in–depth review of its expenditures and, above all, of its management practices.

I hope the document tabled today will address the concerns voiced by parliamentarians and that the proposed improvements will be consistent with the auditor general's recommendations.

The criticisms expressed by the auditor general regarding program evaluation, for instance, should be taken into account. Given the abysmal performance of the Canadian government in the area of program evaluation, the Bloc Quebecois hopes this new document will contain not only new tools to more adequately inform parliamentarians of public expenditures, but also real solutions to evaluate the results of such programs.

Each year, the auditor general presents us with an impressive list of waste in the use of public funds, and the government must, as a first step, clean up its expenditures before it can justify cutting programs.

By eliminating the central policy reserves, the government will lose its flexibility to fund new projects. Since such projects will be funded by reallocating moneys committed elsewhere, the government must clearly express its priorities for the coming years.

The Bloc Quebecois will be keeping a very close watch on the political choices to be announced in the upcoming budget. I would also like to take the opportunity to congratulate the minister for expressing himself so well in French.

[*English*]

Mr. John Williams (St. Albert, Ref.): Madam Speaker, if I have to congratulate the President of the Treasury Board on the introduction of this policy it must surely be with a very small *c*.

The country is crying out for cuts, elimination of waste, downsizing, less government, and yet the number one item in the minister's statement is that he will formally eliminate central policy reserves. Surely we could do much better than this.

There is nothing in this statement about departmental cuts or elimination of departments. The minister is shuffling the policy chairs on the deck of the *Titanic*. These policies provide a different look at a serious but old problem of runaway deficits. There is not one single word in this statement about cuts, about smaller government, about downsizing the civil service.

We can only say that we are extremely disappointed in the statement and we look for more, bigger and better news in the budget.

* * *

[*Translation*]

COMMITTEES OF THE HOUSE

STANDING COMMITTEE ON PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I have the honour to table today the 60th report of the Standing Committee on Procedure and House Affairs regarding the membership of the Standing Committee on Human Rights and the Status of Disabled Persons.

If the House gives its consent, I intend to move that the 60th report be concurred in later today.

[*English*]

I also have the honour to present the 61st report of the Standing Committee on Procedure and House Affairs regarding changes to the Standing Orders as they relate to the printing of papers and evidence of standing committees.

Madam Speaker, I think you will find unanimous consent of the House to dispense with the reading of the 60th report of the Standing Committee on Procedure and House Affairs. If the House gives its consent I move that the 60th report of the Standing Committee on Procedure and House Affairs presented to the House earlier this day be concurred in.

(Motion agreed to.)

• (1515)

[*Translation*]

HUMAN RIGHTS AND STATUS OF DISABLED PERSONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I think you would also find that there is unanimous consent for the following motion:

> That, regarding consideration of Bill C–64, an act respecting employment equity, the House authorize the necessary staff of the Standing Committee on Human Rights and the Status of Disabled Persons to travel within Canada in order to prepare and hold videoteleconference hearings during the weeks of February 20 and 27.

(Motion agreed to.)

* * *

PETITIONS

VOICE MAIL

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Madam Speaker, I would like to table before this House a petition on behalf of senior citizens from my riding of Richmond—Wolfe.

I would like to do so by stating the facts. It reads: We, the undersigned citizens of Disraeli, Danville, Lawrenceville, Maricourt, Valcourt, Saint–Élie d'Orford, Rock Forest, Richmond, Windsor, Saint–Claude, Stoke Centre, Chesterville and Saint–Denis–de–Brompton, wish to call the attention of Parliament to the following facts.

Whereas seniors are naturally more at a loss when faced with voice mail technology; whereas seniors are entitled to adequate service, particularly with regard to their income security enquiries; therefore, your petitioners humbly pray and call upon Parliament to ask the government to abandon its plan to introduce voice mail systems for seniors.

I table this petition, Madam Speaker.

VIOLENCE

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Madam Speaker, this petition concerns excessive violence in our society, on the radio and on television.

[*English*]

Violence in our society is a concern of these petitioners: violence in general, violence on radio and television or wherever one finds it.

The petitioners ask the government and the CRTC to ensure that to the extent possible we diminish and remove violence. They point out that violence is not necessary to entertain or to inform, that it is counter to what many families are trying to do in their homes as they raise their children.

They point out however that there has been some progress made in this area and they applaud the government and the CRTC for their efforts.

ASSISTED SUICIDE

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Madam Speaker, I present today three petitions from constituents of New Westminster—Burnaby as well as from other parts of British Columbia.

In the first two, the petitioners state that physicians should be working to save lives and not to end them. They pray that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law that would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

HUMAN RIGHTS

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, in the third petition, petitioners from B.C.'s lower mainland pray and request that Parliament not amend the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way that would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the Human Rights Act to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

ROBERT LATIMER

Mr. Gordon Kirkby (Prince Albert—Churchill River, Lib.): Mr. Speaker, pursuant to Standing Order 36 I present a petition compiled by Jamie and Janet Bassett from my riding of Prince Albert—Churchill River.

The petition has been signed by approximately 14,400 Canadians and requests that Parliament grant conditionally or unconditionally a pardon to Mr. Robert Latimer of Wilkie for a second degree murder conviction.

While I respectfully disagree with the petition, I hold the Bassetts in high regard. I respect their viewpoint and their right to express it, and the viewpoint of the many thoughtful Canadians who have signed this petition.

I present this petition on their behalf.

• (1520)

MINING INDUSTRY

Ms. Roseanne Skoke (Central Nova, Lib.): Madam Speaker, I have two petitions to table.

The first states that Canada's mining industry is a mainstay of employment in over 150 communities across Canada, an important contributor to Canada's gross domestic product in total exports and a cornerstone of our economic future.

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

I concur with this petition.

HUMAN RIGHTS

Ms. Roseanne Skoke (Central Nova, Lib.): Madam Speaker, in the second petition the petitioners pray and request that Parliament not amend the human rights code, the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way that would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase, sexual orientation.

I concur with this petition.

ASSISTED SUICIDE

Mrs. Diane Ablonczy (Calgary North, Ref.): Madam Speaker, I am pleased to present a petition on behalf of constituents of Calgary North, praying that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously.

This petition is signed by more than 25 members of the Calgary North constituency.

HUMAN RIGHTS

Mr. Jesse Flis (Parkdale—High Park, Lib.): Madam Speaker, I have a petition on behalf of my constituents and residents from the greater Toronto area. The petitioners claim that the majority of Canadians believe that the privileges society accords to heterosexual couples should not be extended to same sex relationships.

The petitioners pray and request that Parliament not amend the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way that would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the Canadian Human Rights Act to include in the prohibited grounds of discrimination the undefined phrase, sexual orientation.

ROBERT LATIMER

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Madam Speaker, it my duty and privilege to present a petition signed by approximately 3,000 Canadians, the majority of whom reside in the Battlefords—Meadow Lake constituency.

The petition was collected and brought to my attention by the Woodrow family of Battleford, Saskatchewan. It notes the conviction of Robert Latimer for second degree murder with no chance of parole for 10 years.

The petitioners request that Parliament grant Robert Latimer of Wilkie, Saskatchewan a pardon conditionally or unconditionally for his conviction of second degree murder in the death of his daughter Tracy Latimer.

Points of Order

JUSTICE

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Madam Speaker, on behalf of my hon. colleague, the member for Calgary Southeast, I rise in the House on day eight to present petition number eight. These petitions are being presented on behalf of constituents who wish to halt the early release from prison of Robert Paul Thompson. April 11, 1995 is the date set for the parole hearing.

The petitioners I represent are concerned about making our streets safer for our citizens. They are opposed to the current practice of early release of violent offenders prior to serving the full extent of their sentences.

The petitioners pray that our streets will be made safer for law–abiding citizens and the families of the victims of convicted murderers.

GUN CONTROL

Mr. Dale Johnston (Wetaskiwin, Ref.): Madam Speaker, pursuant to Standing Order 36, I have the honour to present a petition.

The petitioners request that Parliament support laws that severely punish all violent criminals who use weapons in the commission of a crime; support new Criminal Code firearm control provisions that recognize and protect the right of law–abiding citizens to own and use recreational firearms; and support legislation that will repeal and modify existing gun control laws which have not improved public safety or have proven not to be cost effective or have proven to be overly complex as to be ineffective and/or unenforceable.

HUMAN RIGHTS

Mr. Dale Johnston (Wetaskiwin, Ref.): Madam Speaker, the second petition is from the constituents of Wetaskiwin.

The petitioners pray and request that Parliament not amend the Human Rights Act or the Charter of Rights and Freedoms in any way that would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the Canadian Human Rights Act to include in the prohibited grounds of discrimination the undefined phrase, sexual orientation.

• (1525)

MINING INDUSTRY

Mr. Nelson Riis (Kamloops, NDP): Madam Speaker, I rise under the provisions of Standing Order 36 on behalf of a number of residents of communities in western Canada.

The petitioners point out that the Canadian Mineral Industry Federation has proposed a 10–point plan of action to be addressed by both the mineral industry and the Government of Canada to keep mining in Canada.

They call on Parliament to take immediate action which would increase employment in this crucial sector, promote exploration, rebuild Canada's mineral reserves and sustain mining communities in order to keep mining in Canada.

WATER DIVERSION

Mr. Nelson Riis (Kamloops, NDP): Madam Speaker, I have another petition in which the residents point out to the House of Commons that a company in western Canada called Multinational Resources has indicated its plan to divert water from the North Thompson River near Valemount, British Columbia, in an effort to resell that water in San Diego, California. This is one of the many proposals from the North America Water and Power Alliance; that is, to divert Canadian rivers into the United States and northern Mexico.

The residents call on the government to introduce legislation that would categorically prohibit any permits allowing freshwater rivers to be dammed or diverted into the United States—

The Acting Speaker (Mrs. Maheu): I am sorry. I think we are into debate.

* * *

[*Translation*]

POINTS OF ORDER

QUESTIONS ON THE ORDER PAPER

Mr. Jean–Paul Marchand (Québec–Est, BQ): Madam Speaker, I rise on a point of order with respect to Question No. 93, which I tabled in this House on October 19, 1994. Usually, the response period is 45 days, but, in this case, 120 days have gone by since the question was raised.

I would like to know why it is taking three times the usual maximum time allowed. What is the point of having rules, if the government is not going to comply with them? Despite whatever excuses might be made, I would like to know when I will get an answer to Question No. 93.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, as always, the government tries to prepare responses to questions as quickly as possible. In this particular instance, I am informed that the response is almost ready to be tabled in the House. I will table it as soon as I receive it.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): If Questions Nos. 112 and 113 could be made orders for returns, these returns would be tabled immediately.

The Acting Speaker (Mrs. Maheu): Is it the pleasure of the House that Questions Nos. 112 and 113 be made orders for returns?

Some hon. members: Agreed.

[*Text*]

Question No. 112—**Mr. White:**

What was the total number of full time employees at each job classification in the respective federal departments for fiscal 1993?

(Return tabled.)

Question No. 113—**Mr. Caccia:**

What is the total amount of federal public money given to the Atomic Energy of Canada Limited (AECL) since its inception?

(Return tabled.)

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

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

The Acting Speaker (Mrs. Maheu): Shall the remaining questions be allowed to stand?

Some hon. members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I ask that the notice of motion for the production of papers be allowed to stand.

The Acting Speaker (Mrs. Maheu): Shall the notice of motion stand?

Some hon. members: Agreed.

[*English*]

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

GOVERNMENT ORDERS

• (1530)

[*Translation*]

SUPPLY

ALLOTTED DAY—BUDGET POLICY

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ) moved:

That this House call upon the government in its next budget to avoid any tax increases targeting low and middle-income taxpayers and to consider instead trimming the fat from the government, eliminating tax expenditures which primarily benefit large corporations and wealthy Canadians and collecting on unpaid tax debts owed to the federal government.

He said: Madam Speaker, I am pleased to debate this motion in the House because it is consistent with what the official opposition has been defending, since the last election, as a means of putting our finances in order, as short term or medium term corrective measures, since most experts agree, as we do, that, without fundamentally changing the system, it will be difficult to get control over public finances again.

The Bloc Quebecois is of the opinion that the government must, in its upcoming budget, substantially reduce its expenditures and refrain from increasing income taxes for the middle class or low income taxpayers. The Bloc Quebecois asks that the federal government undertake a complete review of the tax system in order to eliminate unfair tax expenditures and ensure that companies currently not paying taxes pay their fair share.

The federal government should, in particular, eliminate tax shelters benefiting high income taxpayers and big business. Not the measures which favour middle or low income individuals, but the real tax loopholes benefiting very wealthy Canadians and big business who have not been paying their fair share in the federal system for at least 12 years.

The government has tried to justify a possible tax increase, stating that the rise in interest rates is forcing them to do so, forcing the Liberals, when in fact this rise is in large measure attributable to their inaction in fighting the deficit in the last year. I would like to remind you that just days after the Minister of Finance tabled his first budget last February 22, Canada's credit rating was lowered significantly for the first time in five years and the interest rates demanded by domestic and foreign investors on Canadian securities increased considerably, which in turn caused mortgage rates in particular to rise.

Middle class taxpayers are past their tolerance level. Any increase in their tax burden is unacceptable, and the Prime Minister should be reminded that he made promises and commitments regarding the issue on the *Téléjournal* newscast, on October 1, 1993. He said then that he would not raise taxes during his first two years in office. This is year two.

Last December, the Liberal representatives on the finance committee paid no heed to the Prime Minister's commitment and recommended an across the board surtax on income. This proposal, in the official opposition's opinion, is utterly unacceptable, and I would like to remind you, Madam Speaker, that according to the OECD, individual Canadian taxpayers pay 33 per cent more taxes than the average taxpayer in the United States. We are neighbours, we have a free trade agreement in common and it is inadmissible to have such a disparity between levels of taxation.

The official opposition also warns the government not to make any attempt to use devious means to increase the tax burden of the middle class and others by hitting RRSPs. The Bloc Quebecois is also firmly opposed to the option considered by the federal government to impose a one per cent capital tax on RRSPs. I would say to you that this hidden tax, which could net up to 5 billion dollars annually, would be an insidious blow to taxpayers who are trying to plan for a comfortable retirement, at a time when public funds are inadequate and Canadians' savings are at their lowest in thirty years. This would be an ill–considered and irresponsible measure.

Neither should the federal government abdicate its responsibilities by shifting its deficit onto the backs of the provinces. This approach is irresponsible and has been resorted to time and again in the past, by this government. As an example, since 1982, in the health and education sectors alone, the federal government has deprived the provinces of 48 billion dollars—no small amount—by cutting transfers to the provinces, a loss of 12 billion dollars just for Quebec. Members will recall that, in his February 1994 budget, the present finance minister again made additional cuts of over 2 billion dollars in transfers to the provinces.

• (1535)

Since meeting with his provincial counterparts, the Minister of Finance has left open the possibility that the federal government might make new cuts in transfer payments to provinces. This dumping of the deficit and this scheme to force the provinces to shoulder the burden of the cuts to social programs are unacceptable and irresponsible.

The official opposition feels that the federal government must withdraw from provincial fields of jurisdiction and provide full financial compensation. After all, and in spite of what we are often led to believe, transfer payments to provinces are not gifts from the federal government. The money being transferred comes from taxpayers, including Quebec taxpayers.

Between 1982 and 1992, taxes paid to the federal government by Quebecers increased by 121 per cent. Over that same ten year period, financial transfers from the federal government to Quebec only rose by 50 per cent.

If the federal government makes cuts in transfer payments to the provinces, it should also transfer to provinces tax revenues or tax points equivalent to those cuts, so that the provinces can assume their new responsibility.

The issue of duplication and overlap must be a priority in the government's upcoming budget. Any attempt to eliminate these problems will fail if it is not supported by a withdrawal of the federal government from provincial fields of jurisdiction, as well as full financial compensation. Our friends opposite know that it would be irresponsible for the federal government, after creating duplication by meddling in areas of provincial jurisdiction, to cause a sudden and serious imbalance by withdrawing from social programs while keeping Quebecers' savings and taxes in Ottawa.

I wish to raise a last point. The Liberals have forgotten that the fight against the deficit involves creating jobs. We will create jobs not by cutting post–secondary education funds, as proposed by the Axworthy reform, or by raising taxes, but above all by assuming our responsibilities.

A consensus was reached long ago, in particular in Quebec, on the generalized decentralization of everything having to do with manpower training, job training, the re–entry of unemployed workers into the labour force and even income security. The time has come for the federal government to open its ears and eyes and do what is needed to stimulate employment. It is not by quoting the red book to us every day and telling us that their infrastructure project has created thousands of jobs, when they only created 45,000 casual jobs, that they will convince us that they are concerned about employment. This government must learn the difference between wasteful spending and investing in human capital. That is something it has forgotten in the last year and that is unfortunate.

Finally, last October and last December, when the Liberal majority on the finance committee tabled its report concerning the prebudget consultations, the official opposition made some suggestions to put our finances back in order in the short or medium run, but mostly on the short term. We made these suggestions to allow the Minister of Finance to boast and to reduce the deficit to $25 billion, or 3 per cent of the GDP, by 1996–1997.

We came up with measures to find the money where it is. Cutting social programs will not help us to straighten out our finances. Let me briefly recall the recommendations we put forward.

The first thing the official opposition suggested was for the federal government to withdraw from the provincial areas of jurisdiction upon which it has encroached since the second world war and from all the areas it has invaded, oftentimes by ignoring the provincial governments' prerogatives. We suggest that it withdraw completely from areas that belong to the provinces, with financial compensation.

• (1540)

This withdrawal must not be drastic, it must not steal away like a thief, but in areas of provincial jurisdiction, it should give

the provinces all the tools they need, especially fiscal, with full tax points so that they can meet their new obligations. The provinces are not asking for a handout. They just want the federal government to have the honesty to say: We are pulling out of certain areas, we are eliminating the costs of duplication and overlap, and we are going to let the provinces, who are in the best position to do so anyway, manage their own affairs, as provided in the Canadian constitution, in the fields of health, post–secondary education and social assistance, to name a few.

This proposal has a dual objective. First, it sets out to eliminate contradictory policies and to allow the provinces to adopt an integrated policy on job training, education, job creation and health, in short truly comprehensive social policies. Second, this proposal allows the provincial and federal governments to reduce their operating expenses by eliminating costly overlap and duplication in programs and services. In Quebec alone, the cost of duplication and overlap is in excess of $3 billion. I think it would be worthwhile for the minister to consider this proposal.

The second recommendation from the official opposition contained in the minority report submitted to the finance committee in December, as part of the finance minister's pre–budget consultations, is to stop providing subsidies to business immediately, as these subsidies total more than $3.3 billion and are more a source of patronage than a source of assistance for businesses facing modern day challenges, mostly in terms of productivity and international competitiveness.

The president of the Conseil du patronat du Québec himself made the same suggestion in his testimony. He said something like this: these subsidies only foster competition between those businesses which are subsidized and those which are not, and this is unhealthy in terms of management and business growth. I think that it is fair to say that, however much wisdom Mr. Dufour may have displayed in the past, on several occasions, he really outdid himself this time.

We are suggesting that the Minister of Finance immediately cut business subsidies, in other words to forget about his corporate chums for once and make sure that expenditure restraint targets are met, this year as well as next year.

Third recommendation: these are times of reduced international tensions. Experts we consulted before the last election when the Bloc Quebecois became the official opposition say that it is possible, practical and, in fact, desirable that the defence budget be cut by 25 per cent. That is what they said a year ago. National Defence's budget has since been reduced by some 13 per cent, which leaves 12 per cent more cuts to be made, for savings of $1.6 billion. It is definitely worth it in times of constraint, when the Minister of Finance is actively seeking to save. I think there is a good potential for savings there.

We also recommended and continue to recommend that the federal government withdraw from a huge money pit project in which the government has already sunk over $3 billion in direct transfers or loan guarantees. I am referring to Hibernia. According to all the studies conducted, except government studies justifying its continued involvement in this harebrained project, oil prices are unlikely to rise in the next 20 years and may even fall in relation to today's prices. If Hibernia is not profitable with today's prices, how can it be profitable in 20 years with lower prices?

If the government really believes in sound financial management, it should start there. I think it is an interesting idea.

• (1545)

Our fifth recommendation was that the government, the Minister of Finance, undertake a full review of the taxation system in preparing his next budget. We are no longer the only ones asking, although we were the first in the last two years to push for the establishment of a special committee, made up of elected parliamentarians, to review the whole tax system, item by item.

The Canadian tax system is very complex and has not undergone a thorough review in 25 years. Some tax experts mired in administration will, of course, tell us that changes have been made, but these changes are nothing more than patchwork and cannot be compared to a thorough review.

They added some provisions and removed others, and made more additions and deletions. For example, they allowed big businesses to hire renowned tax experts familiar with Canadian tax loopholes. And there are many of them. We have discovered new tax loopholes every day since becoming the official opposition.

The time has come to undertake a thorough review of the tax system. I do not understand why finance department officials, the finance minister himself, the revenue minister and the members of our third party are all opposed to this idea. I do not understand why they are against reviewing the Canadian tax system when many experts, if not the vast majority of them, see this as a necessity at this time.

Our tax system—and particularly our corporate tax system—is the most complicated one in the world. And I am not just expressing my own opinion.

There are people in the United States, including tax experts and economists, who simply cannot figure out our system. I should point out that, towards the end of the Reagan administration, the United States undertook such a process. The Americans reviewed their whole tax system. They did not only look at the corporate tax system, but also at the personal income tax program. They streamlined their whole system to the greatest possible extent. The Americans did not do that just to simplify matters, but also to facilitate detection of tax evaders, including those who take advantage of their financial means or corporate income to hire experts who help them avoid the tax man. It is

now more difficult in the United States to avoid paying one's due to the government.

Why not do the same here? Why is the government so reluctant to follow up on our suggestions to target two sectors on a priority basis? The first one is the tax conventions signed with 16 countries considered to be tax havens. Investment management companies will tell you that they can easily find loopholes. It is easy to establish subsidiaries in some of those 16 countries and take advantage of tax loopholes which will allow you to save hundreds of thousands of dollars, if not millions, or even billions, in federal taxes.

Why does the government refuse to review these 16 tax conventions? Is it because of possible conflicts of interest? Is it because some friends of the party might be taking advantage of these tax havens by creating bogus companies in these countries? They also declare phoney operating losses in these tax havens, so they can deduct them from their profits in Canada and avoid paying taxes.

It is time something was done about this. When the government talks about cutting back, when Quebecers and Canadians are asked to tighten their belts and make incredible sacrifices, maybe it is time the Minister of Finance acted responsibly and stopped protecting his friends and the friends of the Liberal Party of Canada, whose incomes are not necessarily those of the average Canadian.

Tax treaties should be a priority in the next budget. The minister should overhaul some of these treaties which are riddled with tax loopholes.

Family trusts are another case in point. In November, and even in his last budget, the minister tried to make a good impression when he said he would create a sub–committee of the finance committee to analyse the impact of family trusts on federal tax revenues.

• (1550)

The subcommittee was set up, but despite assurances that the process would be completely open, first of all we never got the co–operation of senior officials from the Department of Finance who just laughed at us in committee; second, whenever we asked for additional information and studies, the real stuff, we were turned down; and third, before Christmas, when the official opposition presented a motion in the finance committee to review the policy on family trusts for wealthy taxpayers who never have to pay a cent of capital gains tax, the committee's Liberal majority and the Reform Party voted the motion down. They even voted against a study of family trusts. I think that is unconscionable.

In concluding, I have another recommendation. In his report, the auditor general referred to federal accounts receivable still outstanding. He mentioned the $6.6 billion, owed by taxpayers, especially wealthy taxpayers, to the federal government. They did not deny the fact that they owed the money, but because of this government's spineless attitude, no attempt is being made to recover the $6.6 billion. According to the auditor general, we could recover 80 per cent of this amount.

If the minister needs a few more billion, we suggest that he can get around $14 billion without even touching social programs. It is high time government members woke up to this fact, because people have had enough.

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, I listened attentively to the member's statements. As he well knows, when leading up to a budget there is always speculation and rumour. Indeed, what we have heard today from the member is a lot of speculation and a lot of rumour.

The member started off by talking substantially about somehow shifting the tax burden to low and middle income Canadians. The member knows that when the Minister of Finance addressed the finance committee on October 17 and 18 the very clear message was that the minister was not looking at increasing taxes as a primary vehicle for deficit reduction and meeting his target of 3 per cent of GDP.

As the debate and the work of the committee have gone on, there has been no question that the committee, of which the hon. member is a member, has concentrated on many items the member has raised. These include the elimination of overlap and duplication among different levels of government; the reduction of subsidies to businesses; and dealing with loopholes that are not illegal but were brought in to handle certain situations at a certain time which may no longer serve their purpose.

The member also spent quite a bit of time referring to the rich and making the rich pay. I thought it might be helpful to pass on to the member for his information some facts that were published by StatsCanada.

The top 10 per cent of taxpayers in Canada in 1992 started at some $50,000 a year. Those top 10 per cent of taxpayers paid 34 per cent of all taxes. In addition to that, that top 10 per cent of taxpayers also contributed 42 per cent of all charitable donations.

When we are talking about who is paying for what, it is clear we have to take into account the full dynamics of the financial affairs of those people who are successful. I think the member would agree that we want Canadians to aspire to do as well as they possibly can. If we have successful leaders in businesses and industry, we will also have successful people working within those businesses and industry.

I have a question I want the member to deal with. He talked about tax reform. I think most members will agree that tax reform is an important process of this House. He talked about it in the sense of reducing the complexity of our taxes and simplifying them.

The member then went on to talk about corporate taxation. He abandoned the arguments about complexity on a personal level and went on to tax havens and other exotic tax matters that do not have anything to do with the ordinary Canadian. Would the member care to comment on tax reform from the perspective of making it simpler or less complicated?

• (1555)

Would he not agree that changing the way in which income tax is calculated is not going to improve government revenues in itself? Would he not agree that in fact we need fundamental tax reform, not in the way we are doing things now but in the fundamental way in which we actually assess taxation on ordinary Canadians?

[*Translation*]

Mr. Loubier: Madam Speaker, I do not know where to start with this question. It is huge, and it is more of a commentary than a question as such. My statement contained neither speculation nor rumour, it was based on fact. The facts are as follows: since it came to power, the Liberal government has done exactly the opposite, or just about, of what it said it was going to do in the red book, except for infrastructure projects.

It said it would protect society's most disadvantaged; it said it would not tax middle income Canadians. The first thing it did in its first budget, on February 22, was cut unemployment insurance by $7.5 billion. If these are not the most disadvantaged—I think these are people who are somewhat desperate. They are looking for work and have little to do as well, because, with the tightening up of unemployment insurance measures, whole families have been thrown on welfare. This is what happened in my riding and in the ridings of my colleagues as well. I hope my Liberal colleagues are still checking on the people in their ridings.

Secondly, as for the taxation measures, in 1993 the Prime Minister said: "No problem, we will not tax, we will not increase taxes or income tax". Since we have been here, since we started questioning the government, led off by the Prime Minister, has not ruled out the possibility of an increase in taxes and income taxes. So, they are looking at increasing taxes and income tax for taxpayers, but they are not prepared to clean up the tax system. Where is the logic? There is no way the tax return can be simplified with the present tax legislation.

This is not what I was saying earlier. I was not talking about simplifying tax returns. In any case, we have decided not even to raise this issue any more. Each time we called for a simplified tax return, senior government officials would complicate tax returns even more. So we have stopped raising the issue. People are beginning to get used to the present forms. What I am talking about is an in depth reform of the tax system. I do not know whether you have read the tax legislation for the past 40 years—it is awful.

I have tried to do my best. I have often taken those books out of the library and have gone to consult them there as well. It is a monumental mess. Only the experts can find their way around. Secondly, you will admit that without this reform, we have a serious taxation problem. Forty–five years ago, corporate taxes accounted for 50 per cent of federal revenues, while the remaining 50 per cent was drawn from individual taxpayers.

Now nearly 83 per cent of federal tax dollars are collected from individual taxpayers. The remaining 17 per cent is collected from businesses. This is an imbalance, an unhealthy one, I would say, and people are increasingly aware of that. It is no wonder that, just about everywhere, and I am not referring to the revolt stirred up by Reformers, people are outraged to see this, they see what is happening and see us walking away from our responsibilities, they see that the government will not even go so far as to review the tax system.

Even if it takes two or three years, it has to be done, such a review must be done. This should have been the first step, the first measure taken by the Liberal government. They talked about it before the election campaign, during the campaign, and even before bringing down the first budget and the Minister of Finance has turned a deaf ear to it all. So has the Prime Minister. Reformers are doing the same because it is a direct attack on their friends, and even on a number of the people they represent who have considerable personal assets.

This review must be carried out, I feel, and so must tax expenditures be reviewed. There was talk earlier of tax treaties; they really must be reviewed individually because, in this area too, people are becoming aware that some large, very profitable companies benefit by establishing phoney companies abroad, in countries considered as tax havens, and thereby avoid paying taxes. Ordinary people cannot do that. They cannot set up such companies and, when they owe a dollar in taxes, be assured that they are hunted down for it.

• (1600)

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General, Lib.): Madam Speaker, a motion introduced by the Reform Party regarding the government's next budget was debated in the House yesterday. Now the Bloc Quebecois is taking a crack at it. Both parties' motions clearly demonstrate that neither has what it takes to accomplish this imposing task or to run a country like Canada, let alone an independent Quebec.

In both cases, political grandstanding takes precedence over real and credible action. The two motions also prove that the two opposition parties do not dare acknowledge the budgetary principles the Minister of Finance applied in last year's budget.

I know that the historic budget he will soon table will be based on these principles. The minister repeated several times that the emphasis of this budget will be on spending cuts and not on tax

increases. And he stressed that if tax measures must be taken, their purpose will be to make the tax system fairer, not to increase the tax burden of low income taxpayers, as the opposition claimed today.

We have also clearly indicated that we believe that the first steps that must be taken to pare down the government machine are to downsize it and cut fluff and waste. This is what the opposition has been telling us. We have already taken real action on the issue.

Last week, the Minister responsible for Public Service Renewal tabled a bill to dissolve or reorganize 22 organizations. Taxpayers would save almost one and a half million dollars. I understand that this is very little, really just a drop in the bucket, but I know that this budget will be the result of the most extensive review of government programs and operations ever undertaken in recent history in this country.

I am also convinced that the budget will demonstrate to all Canadians that we have the courage to do what we say we will do and to keep our promises. We need to take action to reduce the cost and size of government because it is vital to the deficit reduction goals we set last year. And it is precisely this question of the deficit, in the debates yesterday and today, which brings out clearly the fundamental shortcomings of the two opposition parties.

[*English*]

As for members of the Reform Party, eliminating the deficit but without tax action seems to be their only concern. They seem to think that deficit action alone will ensure Canada's economic success and renewal. They refuse to recognize that there is a role for government in promoting economic development and in protecting Canadians in real need.

It is also interesting to note that where Reform sees only the deficit, the Bloc seems to have completely forgotten it exists at all. The result is a motion on the budget that ignores Canada's real fiscal problems.

[*Translation*]

After all, the Bloc's separatist cousins in Quebec City include a finance minister who feels that Quebec's obligations with respect to the national debt need be honoured only when it is convenient to do so. But our government refuses to slough off its responsibilities. We are aware of the burden of decades of debt and galloping deficits, which have given rise to an increase in taxes and interest rates, and a certain mistrust on the part of investors; all are factors detrimental to growth and job creation.

You know, the latest statements by the Quebec finance minister did not help the province's ratings, and it is the middle class that will pay the price.

However, our government is determined to do what is necessary to maintain growth and create jobs in all regions of the country, including Quebec. And in order to reach these objectives, it is essential, and Canadians themselves are demanding it, that we put in place an effective financial reform strategy.

[*English*]

Our government believes that winning the debt challenge starts with laying a clear, concrete and credible foundation. That means keeping to the deficit track we set out on to bring the deficit down to 3 per cent of GDP in three years.

That is exactly what we will do, as the minister said, "come hell or high water". The federal deficit now near 6 per cent of GDP has not been as low as 3 per cent since 1974–75, 20 long years ago.

• (1605)

[*Translation*]

In addition, setting specific deficit reduction goals is a significant change from past practices. That is why our government used a different approach. We set realistic goals and we will take all necessary steps to achieve concrete results. Our success in this regard will make our long–term objective of totally eliminating the deficit more credible.

[*English*]

We believe it is best to set out short term targets, concrete milestones, and achieve them. With short term targets there is no excuse for delay, no acceptable grounds for not taking tough action to address the problem. When we set unrealistic long term goals, we can always find a reason to avoid tough action today, tomorrow and the tomorrow after that.

Let us remember that we have done more than just set out a goal. Last year's budget took dramatic bottom line action. It set out measures to deliver $20 billion in deficit reduction over three years. For every $1 of revenue action there were $5 of spending cuts. No budget in a decade moved so strongly to cut spending.

We also know that even stronger action might be necessary. The problem is interest rates. They are much higher than we or the private sector expected.

There is no mystery about the pressures at work. To begin with, there is action by the U.S. central bank to control American inflation. There is also the lingering concern about the Quebec situation and the worry over Canada's debt and deficit burden.

The problem is our accumulated $500 billion debt. It is so big that an increase in rates has been a frightening wallop. Let us remember that last year the interest charges on the debt consumed almost $40 billion of taxpayers' money, the single largest expense of government. Every time the rates go up one per-

centage point our carrying costs jump by $1.7 billion, and that is just in the first year. By the third year it is a $3 billion penalty.

It is this punishing dynamic of compound interest that makes tough budget action the right action. The fact is that we have always recognized the need for continued fiscal action. The 1995 budget process started the minute we introduced the 1994 plan. That is why we combined immediate action with a sweeping series of program reviews on government operations, defence and social security reform. These have set concrete foundations for this year's budget and the tough decisions needed.

In this regard let me remind both opposition parties, given their calls for eliminating government waste and inefficiency, of the six questions that have framed our program review of government operations.

(1) Do the program areas continue to serve the public interest?

(2) Is there a legitimate and necessary role for the government in this area?

(3) Is the current role of the federal government appropriate, or can the program be realigned with the provinces?

(4) What programs should or could be transferred to the private or voluntary sector?

(5) If the program continues, how can its efficiency be improved?

(6) Is the resulting package of programs affordable?

Before concluding my remarks I should also reiterate a point made yesterday on the issue of tax increases. Only a foolhardy politician would ignore the real "tax fatigue" felt by Canadians. It is felt on this side as well. That is why cuts in government spending must and will be our priority in reducing the deficit. We proved that last year when we cut spending by $5 for every $1 in revenue measures.

[*Translation*]

However, most Canadians know that in order to cut taxes in the future and, in the short term, to ease the pressure on interest rates and the dollar, we must bring the debt under control. And this will only be possible after we achieve our deficit reduction goals.

Given the magnitude of this challenge, I understand why the Minister of Finance will not promise a budget without measures to increase revenue. But, if such measures are included, I am confident that they will be aimed at improving the tax system and closing loopholes. To those who are opposed to tax measures, I ask this: Do you really feel that the existing system is totally effective, that there are no loopholes or unjustified advantages? Given our financial situation, Canadians do not want or need such stupid political games.

• (1610)

I could say much more but I think that the budget will be more eloquent. Yes, we have a long road ahead of us, but I think that we are off to a good start. I am confident that the budget to be tabled in late February or early March will show all Canadians and world markets that our government meets its financial commitments.

By doing this, we will reinforce the conviction of the vast majority of Canadians, including my fellow citizens from Quebec, that this country, Canada, will fulfil its destiny of greatness and unity it deserves.

[*English*]

Mr. Ian McClelland (Edmonton Southwest, Ref.): Madam Speaker, I listened to the hon. member for Bonaventure—Îles-de-la-Madeleine. I wish I was as confident about anything as the hon. member opposite seems to be about everything, especially since it was the party opposite that was the father, the parents and the grandparents of the present dilemma our country faces today.

The member opposite is very quick to criticize opposition parties. However it does not seem to sink into members opposite that there is a good deal of distrust in the nation of the Liberal government, the parents of the dilemma that our country is in today, the very people who got us into this mess. A lot of people perhaps mistrust the fact that the Liberals present themselves as the people who have seen the error of their ways and are now going to be the ones who will lead us out of this dilemma and into the promised land. A lot of people in Canada have a healthy degree of scepticism about the ability of the Liberals to come through and do what they acknowledge must be done.

I have a question for the hon. member for Bonaventure—Îles-de-la-Madeleine whom I know to be earnest and hardworking. I honestly believe he speaks with conviction. What in his opinion is the single most important ingredient in getting our nation's finances back on track? What is the single ingredient on which everything else hinges?

Mr. Gagnon: Madam Speaker, I think I will include some of the very favourable remarks of the hon. member opposite in my next householder.

Yes, being a Liberal I am somewhat confident. There is confidence out there in the general population that the Liberals can deliver. The minister said it very clearly when he said that he would bring the deficit from a high of 6 per cent down to approximately 3 per cent of GNP within the next three years. This is something we are striving to do.

Of course it will not be done without any pain. We might be talking about short term pain for long term gain. We are not going to cut indiscriminately in every area. We still have social

conscience on this side of the House. I believe it still exists among certain members on the benches opposite.

After hearing what the member told me earlier I am convinced a number of the members will recognize the efforts made by the government to decrease the deficit and to make sure that we eliminate the deficit by some time at the beginning of the turn of the century.

It will be a long term process. This is what we have to prove to outside investors and Canadian investors. Canadians are expecting us to make sure that we come out with a reasonable budget, given the situation we are faced with, so that we can look at the future with hope and encouragement, thanks to the first steps taken by the Minister of Finance. In the next few weeks the course will be set.

[*Translation*]

Mr. Gérard Asselin (Charlevoix, BQ): Madam Speaker, first of all, further to the remarks made by the hon. member for Bonaventure—Îles–de la–Madeleine, of course Canadians as well as Quebecers are aware of the fact that the national debt has grown to $600 billion, with debt charges totalling about $115 million per day.

• (1615)

We all know that, just to pay the interest on this debt, the Canadian government now has to borrow money. We are also aware of the need to paid off this debt someday, or at least to reduce the deficit. The last budget the Minister of Finance tabled in this House was passed with a deficit of approximately $52 billion, this being the biggest deficit ever approved by this House.

Naturally, this budget was passed by the Liberal majority who had approved in this House the biggest deficit ever in Canadian history. Today, it is suggested to create a deficit to solve the deficit problem.

The people are prepared to tighten their belts and make sacrifices. What they will not accept is the shameless government overspending. They have a problem with expenditures like the $475,000 spent just recently on the installation of the Governor General. They find it difficult to accept that members of Parliament be entitled to a pension for life after serving for just six years.

And this causes concern and social insecurity from coast to coast. The concern caused by such things as the Minister of Finance contemplating tax hikes, contemplating replacing the GST with a tax hidden in product prices so as to be able to tax everything that is presently tax–free, such as food, prescription drugs and health care, is not making seniors feel any safer, because there is even talk of taxing RRSPs.

Meanwhile, the Minister of Human Resources Development is considering making cuts in education programs, loans and scholarships for students, who represent our future. The minister is considering making cuts in the UI program, which should not be used for government administration purposes since it is an insurance for those who lose their jobs. The minister is also considering making cuts in the government support to seniors and to low income families. When I think of low income families, I am reminded of all the cuts made by the previous Conservative government, including the subsidies to provinces for social housing.

The minister is also considering making cuts in the subsidies to women's organizations which promote employment and equal pay. Then, there is the Minister of Finance who is also considering cuts in airport and airline services, or even privatizing these services. If the equipment is transferred to the provinces, it is like shifting the burden onto their shoulders.

So, I ask the hon. member: Is it possible that, this year, the government will manage to reduce its deficit without targeting the poor and, if so, how will it do that?

Mr. Gagnon: Madam Speaker, I can assure you it was never the intention of the Liberals to introduce budget cuts at the expense of the most vulnerable in our society, and I said as much in my speech.

As the member for Bonaventure—Îles–de–la–Madeleine, and like the hon. member from the North Shore, I represent a riding that has to live with financial, economic and social problems.

However, in his comments he referred to the fact that people needed security, and I also heard him say that people thought we spent too much money on the installation of the new Governor General of Canada and all the activities that were organized around this event. I would like to remind the hon. member opposite that the Premier of Quebec is going to spend, not two million, as he promised, but more than five million on the commissions going around Quebec that want to discuss only one topic: Quebec's independence. There is nothing that makes my constituents feel more insecure, and I hear people say this. I hear this from people in Quebec's remote areas, when they see a provincial government that is intent on only one thing: the break–up and, in fact, the end of the best country in the world.

• (1620)

The only way we can survive is by introducing a new fiscal policy, making certain cuts and reallocating our spending priorities. Reallocation is necessary to ensure that we can become leaders in important fields.

However, we must stay together, because dividing Quebec and dividing Canada and making all kinds of statements, as the opposition sometimes does, is not the answer. I am not necessarily referring to members opposite, but it was the Quebec finance minister who said recently that he felt Quebec was not necessarily obliged to meet Canada's international commitments in terms of paying off loans and servicing the debt.

In concluding, we want Quebecers to feel secure, and I think we are going about it the right way. This is a caring government, and I think the Chrétien government has proved repeatedly during the past one and half years that we are in touch with the grass roots, that we are fully aware of our financial obligations in terms of the national debt and that we also realize that the federal government has an obligation to take care of the neediest in our society.

[*English*]

Mr. Ian McClelland (Edmonton Southwest, Ref.): Madam Speaker, for the benefit of those watching on television I would like to read the Bloc motion once again. It is non–votable and it reads as follows:

> That this House call upon the government in its next budget to avoid any tax increases targeting low and middle income taxpayers and to consider instead trimming the fat from the government, eliminating tax expenditures which primarily benefit large corporations and wealthy Canadians and collecting on unpaid tax debts owed to the federal government.

How do we go about disagreeing with that? We cannot. It is like motherhood and apple pie. Furthermore, it makes sense. Why should we not be doing the things that the Bloc suggests? As a matter of fact, we are doing most of them now.

Our party agrees 100 per cent with the notion that we should avoid any tax increases targeting low and middle income taxpayers. We are very adamant in saying that we should not have any new taxes on anybody for any reason, period; not on people, not on businesses, not on anyone for any reason, not direct and not indirect. The reason for this is we have to establish the political will to do what has to be done.

Earlier in questions and comments I asked the hon. member for Bonaventure—Îles–de–la–Madeleine to tell me what in his opinion was the most important single thing that needed to be done, what was the factor above all other factors that would ensure success in eliminating the deficit and getting our country's finances in order. For those watching and for those in the House it is no surprise that we did not get an answer to that question. I asked the question specifically because I wanted to know whether the member opposite really had a sense of what had to be done. We did not get an answer to the question. I assumed that the member opposite did not know what that ingredient was.

I am going to give him the answer. I am going to let him and other members opposite know what the single ingredient is which must be there. Without that ingredient there will not be success. It cannot happen. That single ingredient is political will. Members opposite control the purse strings. They have their feet on the pedals and their hands on the wheel that steers our nation. We in opposition can influence but we do not make the final decision. It is the government opposite that makes the final decision. Unless the government opposite has the political will to do what has to be done it simply will not be achieved.

How does it go about getting this political will? What does it take? That is why it is so important that the government not look for tax fairness at this time. Tax fairness is not the issue. Spending is the issue.

• (1625)

If we allow ourselves as a Parliament to wriggle off the hook instead of saying to ourselves our problem is that spending is out of control, instead of being absolutely committed and convinced of this and start burrowing around looking for little ways that we can pick up a few bucks here and a few bucks there, we will very quickly lose the political will to do what has to be done, reduce spending.

Programs have to go. If we do not do it we absolutely will not achieve the goal that has to be achieved. Our nation is quickly getting behind the power curve financially.

For those present who do not understand what the power curve means, getting behind the power curve is an aviation term. What that means is that if a person is flying along and there is a mountain ahead and that person pulls the nose of the aircraft up, they will have to increase power so that they can climb up over that mountain. If there is not enough power in that aircraft to keep the nose up and to keep flying, they will very quickly lose speed, lose control, spin, crash and burn.

Our nation is in an aircraft and there is a mountain of debt ahead of us. That mountain of debt is growing rapidly through the magic of compound interest which is people's greatest enemy when they owe money and their greatest friend when they do not owe money.

Here we are hurdling along in the sky. This mountain of debt is in front of us and we have to keep pulling our nose up. As we pull our nose up, which is increased taxes, we are losing power.

There is the point when our economy has lost so much power because we have to keep increasing the taxes so that we can get over the mountain we simply will not be able to do it. That is why the political will to get our spending under control is of critical importance.

That is not to say that there are not elements of our taxation policy which should not be corrected. That is not to say that my colleague and friend from St. Hyacinth—Bagot is not absolutely correct in saying that in our tax life you have to be a Philadelphia lawyer to fill in your tax form.

Have members ever tried to make money in this country? People pay taxes on making money. People pay taxes on spending money. Every time we turn around there is a disincentive to be productive in our economy. There is an incentive to be non–productive.

We have to get those changed. We have to simplify our tax regime in this country. As a matter of fact our hon. colleague from Broadview—Greenwood has been working diligently for years to introduce the single tax in Canada.

Our party is 100 per cent supportive of that but we have to set priorities. Right now our nation and all Canadians are in a lifeboat. We have already hit the iceberg. The *Titanic* is going down and we are in this lifeboat. There are holes in the lifeboat and what are we doing? We are talking about who should be the captain and what colour we should paint it.

We better get some priorities together. We better be plugging the holes in the lifeboat and bailing because if we do not, we are going down, and we are going down together.

It does not matter if one is bankrupt in French or English. One is bankrupt. It does not matter if one is bankrupt and cannot afford to buy a gun. Does it matter if one has to register it? Does it matter if one is gay or straight? One is bankrupt.

Our priority is to get our nation's finances in order. That is what we have to do. Once we have done that, this Parliament should rightly put its interests in all the other thousands of things that drag us away from where we should have our noses focused, one of which is on government spending.

We need as a Parliament to get our noses on the ground, to get our butts in the air and work on priority number one, that which is most important above all other things, to get the political will so that we can make the tough decisions. We can look our fellow Canadians in the eyes and say we have made the first sacrifice ourselves. We have done away with this outrageous pension plan that acts like a magnet for all the ire of everybody in the country.

• (1630)

When they look at that and say: "How can these people who are elected to lead us write laws that protect them from the very mismanagement they have put on to our country in the first place? How is it that people can spend 20 years here and get a pension that allows them to live so they do not ever have to worry about the consequences of their mismanagement of our economy?"

We have to restore the bonds of trust between the elected and the electors. We have to put the rights of victims ahead of the rights of criminals. Above all, we must get our nation's finances in order and we must have the political will to make the very tough decisions necessary.

Mr. Mac Harb (Parliamentary Secretary to Minister for International Trade, Lib.): Madam Speaker, I am not able to associate with this picture by my colleagues in the Reform Party. Day in and day out they try to paint this as a sinking country that one cannot live in and that has so many things wrong with it.

For the third time in a row the United Nations has clearly stated that Canada is the best country in the world in which to live and raise a family. Twenty years ago when I came to this country I knew Canada was the finest and best country in the world. I say that over and over again.

I do not understand what is wrong with my colleague. Perhaps we should establish a fund for our colleagues in the Reform Party to send them abroad to look at the world. When they come back to Canada, maybe then they will start talking about the positive things that exist here. Then they could truly appreciate all of the good things we have and will come to the conclusion that we have to work collectively in order to make it even better.

This negativity day in and day out, the doom and gloom is not serving anybody. It is not serving the interests of Canada. Business people have told us over and over again: "Give us the tools and we will make it happen". Government has to provide a proper environment in order for business to create jobs and we are doing that.

Economic indicators by all agencies, whether from Canada or abroad, whoever we talk to, all of the economists agree that Canada and this government is going in the proper, right direction. We are leading the other industrialized countries in terms of growth. According to the Minister of Finance and the Prime Minister we are way over what we have forecast in terms of economic growth.

What is wrong? In terms of what the government is spending annually versus what we are getting in terms of revenue, we are in a surplus position. However, we have a debt and interest to pay on it.

For my colleague to turn around and attack the government for its track record is unfair. He should stand up and congratulate this government, the Prime Minister, the Minister of Finance, every member of the cabinet and government for a job very well done. That is what he should do. Stop the doom and gloom. Talk about the positive. Smell the roses. Have some coffee. Maybe he would wake up.

Mr. McClelland: Madam Speaker, it is such a delight to respond to the hon. member opposite as he whips his rose coloured glasses from his nose.

You do not have to be a brain surgeon to figure that if you have been running up debts, you can live like a king if you are doing it on someone else's money. The problem is the bank is about to cut off our Visa card. Our Visa card, American Express, Mastercard and our bank line are as high as they will go. We opened up a home equity line of credit which we are using and still we cannot pay our bills. We are going further into the hole every day. That, sir, is the problem.

• (1635)

Step number one in solving a problem is that you must deal with things as they are, not as you would wish them to be. This Pollyanna wishing and saying that the United Nations says we are number three in the world, why are we not number two or number one in the world? We are borrowing it. We are going down the hole. Our grandchildren and our children will be paying off debts that our generation and the generation that preceded us ran up. And these people are saying: "Everything is fine in the world". It is insane.

Let me read from *The Wall Street Journal* about this number one nation in the world. I am quoting Mr. Alan Reynolds in *The Wall Street Journal* of Friday, October 14:

> The drop in the Canadian dollar, 20 per cent since 1991, is largely caused by the uncompetitive tax climate for both labour and capital. World investors do not like to invest in countries with rising tax rates.

The article goes on:

> The weak currency means Canadians, and the Canadian government, have less buying power in the world. When the Canadian dollar falls, the government needs more Canadian dollars to make the interest payments on its large foreign debt. The increased tax rates after 1989 have thus increased the spending side of the government's budget by sinking the currency and raising interest rates, as well as shrinking real revenues.

Now this is not the party opposite. This is a world renowned, respected economist from the Hudson Institute.

These are the kinds of comments, the kinds of articles that affect our interest rate on the 30 per cent of the foreign debt owned by other countries. Every time we make an interest payment on that foreign debt we are putting German, Japanese, and American people to work.

Why do you think our interest rates are five points higher than the American interest rates? Is it because we are such great money managers? Why do you think our unemployment rate is 3 or 4 per cent higher than the American unemployment rate, yet our economies have matched each other for 40 years? Is it because such masterful people have been running our economy, the Liberals, the Conservatives, and again the Liberals?

In 1984 the Conservatives were elected with a mandate to get our country's finances under control. They did not. They blew it. There are two Conservatives in this House today. Count them. The Liberals have the same opportunity today to address the number one problem. If they do not do it there will be two of them left after the next election, maybe. Canadians are sick and tired of this Pollyanna attitude to what is really hurting our country.

[*Translation*]

Mr. Jean-Paul Marchand (Québec-Est, BQ): Madam Speaker, the Reform Party member is right when he says that Canada is heading for national bankruptcy. The hon. member is also pretty much on target when he says that the government lacks the will to put some order in its finances.

This lack of political will, as well as the fact that we are obviously heading for bankruptcy, has been quite noticeable since the Liberals took office. Foreign investors are extremely concerned about the state of the federal government's finances. The fact that Canada's economic situation is truly out of control may not be the main reason why Quebec wants to become a sovereign state, but it is certainly one of the reasons. As the Reform member pointed out, this government lacks the will to act.

We can accept the fact that Liberal members rise in this House to say that Canada is the best country in the world. However, with impending bankruptcy looming on the horizon, Canada may not hold that honour for much longer. This reminds me of the captain of the *Titanic* who, in 1912, said that his ship was the most beautiful in the world and referred to it as "the unsinkable *Titanic*".

• (1640)

The *Titanic* sank, but that does not justify the fact that Canada is experiencing very serious problems. The whole world is aware of that, and particularly investors. Yet, this government does not have the political will to correct the situation. This is serious, especially since the government and the minister could take a whole slew of realistic measures to help the economy. However, they simply will not do that. On the contrary, the government is bent on eliminating the debt at the expense of the poor. And that makes this federal regime even more unfair.

[*English*]

Mr. McClelland: Madam Speaker, I think my hon. colleague from the Bloc hit upon quite a salient point. We are facing yet again this question of how we are going to survive as a nation united with Quebec as a part of Canada.

The Bloc brings forward the notion that what is it about the federation of Canada financially, is this country so well managed that we could not manage on our own just as well? I guess it does that because of the mess we are in and that argument has some weight. In my opinion, and I think in the opinion of most Canadians, we would all be much worse off, Canada and Quebec, in the event of a separation. That very question is hurting us today in interest rates.

The Acting Speaker (Mrs. Maheu): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Saint John—Trans-Canada Highway; the hon. member for Mercier—Manpower training.

Mr. Grant Hill (Macleod, Ref.): Madam Speaker, I would like to add my words on the issue of Canada's financial circumstances.

The other day I heard it described as a prize fight in Canada. It was a prize fight between the fiscal disciplinarians, and I would characterize the fiscal disciplinarian as our Minister of Finance, and the social capital advocates. I would describe the minister of HRD as the social capital advocate. This prize fight had been won by the fiscal disciplinarians. The commentary was that this was a tragedy for Canada because our social programs were going to be eaten away by fiscal disciplinarians, those who had understood and realized the depth and severity of our debt problems.

My difficulty with that discussion and argument is that surely there is a connection between our social programs and financial responsibility. Surely there is a connection that will not allow that to be broken.

I would like to go over a few individual statistics. I hear over and over again that the way out of our debt problems is simply to close loopholes and make our taxation system fairer.

Taxes now account for a much bigger proportion of the average family budget than shelter, food and clothing combined. It is a complete reverse of what is normally present in the country. In 1961 the reverse was true.

• (1645)

There are those who say that the rich in our society should take a heavier hit from taxes. Last year the top 30 per cent of families, those earning $61,660 or more, paid 62.4 per cent of the taxes. "Let's hit them harder", say some. To those who say that we are not taxed too highly compared to our major trading partner, Canadians pay $50 billion more tax per year than Americans after adjusting for the size of our economy. We are taxed to the eyeballs. We are taxed until we are drowning. We are taxed so much that anyone who says we can pay more taxes is dreaming.

I liken this to two individuals. One is a prize fighter who is lean, mean, quick and knows all the tricks. The other prize fighter looks like a Sumo wrestler. The Sumo wrestler waddles into the ring and says: "I'm going to take you on" and does take on the quick, alert prize fighter by lying on him and squashing him. There is no talent in that at all.

The overweight, bloated debt in our country is a Sumo wrestler and it is going to kill completely the prize fighter who has the ability to move quickly, to adjust to circumstances and to be competitive.

I tried to look for an international comparison to see if Canada could look at some other location. I looked at New Zealand. I took an opportunity to review what happened in New Zealand in 1984. New Zealand has a House much like ours and these same conversations were going on in 1984. The government of the day said: "Everything is fine. We are in third place in the world. We are the third best country in the world. Everything is fine". We heard that.

One day after the debt wall—the member opposite said not to be so violent—I was going to say smack into the debt wall but instead I will say gently nudge up to the debt wall and hip check the debt wall. New Zealand did a hip check of the debt wall. They did not smash into the wall. In one day New Zealand went from the third highest in the world to twenty–second.

My field is health care so I looked at what happened to health care in New Zealand in that one day. The same scenario faces Canada. In one day they ended up with advertising on the ambulances to pay for the fuel. To go to sick patients they had to advertise chocolates and booze, in order to get the sick patients to the hospital. In one day they went from a system very similar to ours where everything was free to a system where there were user fees for everything.

One of my friends who practised medicine in New Zealand said: "The tragedy for those individuals who came to the hospital with a coronary was that they lay sweating in bed worrying about how much it would cost". This was from a society that said: "Everything is fine. All is well". One day later, their health care system was gone. Can members sitting on the other side tell me that is not a problem?

What do I see in our health care system that caused me to come to Parliament, to leave a medical practice that obviously is better than doing this? What caused me to come here? These are the things that caused me to come here.

First, the waiting lists for my patients were getting longer. I am told there are no problems in Manitoba today. Hip replacement is a 60–week wait. The standard for Canada should be 12.7 weeks. No problems in Canada.

I watched technology in our country slipping behind other countries. We have in Canada 1.1 MRI machines per million people. The U.S. has lots of them. They are techno freaks so I will not talk about the U.S. Germany, a country very close to us, has 3.6 MRI machines per million people. Where do we go if we need an MRI in our country? We go to the U.S. We cross the border. We put our Canadian dollars on the table in the U.S.

• (1650)

The technology that we need, that we deserve, that we must have, is being denied by a rigid set of rules that say we cannot provide more funds to the health care system. That might privatize something.

If an individual here needs health care should we wait for New Zealand? I suppose that is the answer. Monumental waiting lists will be the legacy of a government that will not pay attention to our debt.

I had a young student face me not so long ago and say to me: "You are so hard–hearted. All you care about are finances". All I care about is a health care system that will survive. If we go New Zealand's route and I say to my grandchild that everything is fine, my grandchild will say to me, "You are not a good grandad".

Health care will not survive with a government that does not pay attention to its debt. I will not allow that to happen.

The Acting Speaker (Mrs. Maheu): Because the last speaker's time ran over by five minutes on questions and comments I will allow one comment and one question in response.

Mr. Jean–Paul Marchand (Québec–Est, BQ): Madam Speaker, I was somewhat surprised by the comments of the Reform member, especially when he talked about health care. Obviously the Reform Party wants to privatize health care. It is a party that has not defended social programs. We are the only party that has defended social programs in this House, in spite of the attacks and reductions by the Liberal government.

The Reform Party has not spoken in defence of social programs. It is obviously opening the door to privatization of health care. Our health care system is one of the standards of Canada, one of the hallmarks of Canada, one of the achievements of Canada. This party is talking about privatizing health care and giving us the model, obviously, of the American system where if a person gets sick he or she risks going bankrupt very quickly.

Under the cover of comments of New Zealand's problems and success story, among all the other comments that have been made, which unfortunately Americanize things that have been good for Canada, he is again opening the door to a system that has proven to be costly and wasteful and even dangerous, where people go bankrupt if they become ill.

That is not an avenue which is very constructive. It is probably even worse than what the federal government is now doing. The federal government has not been doing very much in terms of helping people, in terms of the social programs, in terms of health care. The government in trying to reduce its deficit has attacked unemployed people and senior citizens. It has tried to put more debt on students. It is now even increasing the rent of the poorest people in our society. That is what the government is doing now, which is probably the worst thing that I can imagine, and the hon. member is suggesting something which is even worse.

• (1655)

I ask the member how privatizing the health care system in Canada would improve the debt problem?

Mr. Hill (Macleod): Madam Speaker, I will have to be brief. That was quite a discourse.

The response of the health minister in Quebec to the new proposals from the federal health minister is quite interesting to me. The health minister in Quebec said simply: "Health is a provincial responsibility. The federal government should keep its nose out of health". That is a proposal I strongly support.

Alberta, my province, says that Quebec has it right. We may disagree on whether or not there is any place in health care for a safety valve. We may disagree but surely we do not disagree that health is an important program. Surely this is not a partisan issue.

[*Translation*]

Mr. René Laurin (Joliette, BQ): Madam Speaker, I am happy today to speak to the motion presented by my colleague, the member for Saint–Hyacinthe. I think it is important for the official opposition to raise once again this pressing matter which the government should address, but about which it keeps on procrastinating.

The government is supposed to present its budget very soon; it was said to be in early February; but it would appear that it will not be until late February or even early March. The social reform was announced for the fall; it had been postponed until winter and now it is postponed indefinitely. In the meantime, the situation is deteriorating, the deficit and the debt are increasing.

Why is the government dragging its heels? It is dragging its heels because it knows it must take steps which are going to hurt. It is afraid to do anything which will make it the enemy of the people or which will cause the vast majority of Canadians to hate it.

In the past, we have made many suggestions on how to solve the deficit problem. We have offered numerous options to the government in order to solve this problem without raising taxes, but it refuses to listen. The solutions it favours, the only ones it is considering are those aimed at the majority of people, namely the under–privileged members of our society.

What we are proposing instead is that the government target the minority of Canadians who are more fortunate, the people and corporations which are in a position to contribute more through their taxes. However, because these corporations, these executives, these wealthy people are friends of the government, it is reluctant to tackle a job which is most urgent. It refuses to assume its responsibilities for fear of alienating those Quebecers who are about to vote, in the referendum, in favour of a flexible Canada, a flexible constitution.

The present government is playing hide and seek, when we require openness. In my speech, I would like to emphasize the collection of unpaid taxes owed to the federal government.

• (1700)

My colleagues already talked about other aspects of the motion. They talked about trimming the fat from the government. True, we could save millions by doing that, but when we talk about trimming the fat, we do not mean simply cutting jobs in the civil service. It is not true to say that all depends on the number of civil servants. If there are too many, fine, by all means cut, but I hope the cuts are going to be fairly spread among the various provinces, not made in the way recently announced by the Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal. If a 25 per cent reduction in spending is anticipated, I hope we will not see a 33 per cent cut in Quebec, as is expected.

That is not the only way to trim the fat from the government. To trim the fat, we could have only one bus service to take members of Parliament from their offices to the House of Commons. The same bus service could be used by members of both houses to reduce the cost. We never talked about that. Each House wants its own staff, its own accommodations, its own transportation system, its own allowances. We have two sets of everything; yet we still wonder what purpose the other place serves. However, no expense is spared.

I will not dwell on this issue any longer, because I want to come back to what I said earlier about recovering delinquent taxes. The auditor general made several comments on that topic. Most taxpayers pay their taxes when they file their income tax return or when they get a notice of assessment. But sometimes, measures have to be taken to recover, for example, unpaid balances or tax deductions at source. Also, an employer can forget to remit on time to the government the tax deductions at source. Or some taxpayers can deliberately neglect to pay their taxes.

Let me describe briefly the situation we have. Right now, there is about $6.6 billion in delinquent taxes, that is unpaid taxes that should have been paid. These $6.6 billion are owed by some 1.6 million taxpayers. These are the numbers we had as of December 31, 1993. Of these $6.6 billion, $3.6 billion were owed by individuals, self–employed workers, corporations, and include source deductions by employers.

Of that amount, $900 million had been owed for less than 90 days. This was the case in 1993 for 21 per cent of taxpayers in arrears. And $250 million had been owed for more than 90 days on small amounts. But $5.35 million had been owed for more than 90 days on larger amounts. This was the case for 25 per cent of delinquent taxpayers.

Thus, of the 1.6 million delinquent taxpayers or corporations, 25 per cent, or some 400,000, representing the smallest group, owe more than $5 billion in taxes. That is to say that each of these 400,000 taxpayers owes a lot of tax money to the government. These are not humble and poor people. They are not people who are always in need.

On the Public Accounts Committee, we were told that we sometimes go easy on the people who have some difficulty in paying, because we do not want them to go bankrupt. We say: "We have to be understanding. Sometimes, you know, floods or fires occur. So companies are given more time to pay their taxes".

But for individuals whose income tax is deducted from their pay cheques, not even a flood will stop their employer from taking off their share of income tax and sending it directly to the government. Even if a fire destroys their home, these individuals will not be able to use the money that their employer has already deducted from their pay cheques for tax purposes. For salaried employees, the income tax is collected immediately. And for those who have different means of paying their income tax, the state is always willing to show some understanding, which gives these people an opportunity not only to take advantage of the system, but in many cases to abuse the system.

• (1705)

I think that the government must take action to give the Department of Revenue more control over individuals and corporations that owe taxes to the government. There has to be greater control if the just society that we have heard so much about in this country is to be reflected in the way Canadians pay their taxes. If we want a just society, everybody must pay their fair share of taxes. We must not have half of the population paying taxes for the other half.

I know that my time has expired. I still have a lot to say and I hope that the questions and comments period will give me an opportunity to complete my remarks.

Mr. Louis Plamondon (Richelieu, BQ): Madam Speaker, I would like to congratulate my colleague on his remarks about this motion presented for the official opposition by the hon. member for Saint–Hyacinthe—Bagot. This opposition day motion clearly demonstrates how appropriate it is to warn the government of the consequences it will face if it continues to overburden low income taxpayers, the have–nots, the needy, and the unemployed, if it keeps doing what previous governments have been doing for years, and if it does not get its money where it should get it by following our ten point plan. Could the hon. member for Joliette who just spoke further explain the solutions advocated by our party, the Bloc Quebecois, in order to help the government better understand public finances?

Mr. Laurin: Madam Speaker, I thank my hon. colleague for this opportunity he is giving me to add a few comments. Since the tabling of the last government budget, the Bloc Quebecois has gone out of its way to propose numerous solutions to help reduce the deficit. One of the first measures we recommended

was the creation of a joint committee on the financial situation. The Bloc Quebecois would have participated and we could have studied possible solutions together, out in the open. The government refused.

Given that situation, we took a different approach. We proposed solutions to the Standing Committee on Finance. We asked that government pass legislation to prohibit family trusts as we know them today, because they are tax havens for a privileged few in our society. These are real solutions. There are billions of dollars in those trusts.

Here in this House, and also in committee, we suggested that the government should focus more on finance and tax control. I have just spent the last ten minutes talking about taxes. Just think that there are now $6.6 billion in unpaid taxes which delinquent taxpayers will not pay; $6 billion is a lot of money and the interest on such an amount adds up to more millions. We asked the government to provide for stricter controls on those overdue accounts.

We asked the government to look into the issue of businesses, tens of thousands of businesses, which have not paid taxes over the last ten years, in spite of profits earned in Canada. Why do we allow those companies to profit from such a tax exemption system, albeit a legal one? That is not normal; all taxpayers, corporations as well as individuals, should pay their fair share of taxes in Canada. That is another solution that we proposed to the government.

We also proposed to slim down the government machinery. We talked about that many times. We also asked the government to avoid duplication in the various administration sectors, duplication of provincial and federal spending in the same areas.

• (1710)

These are suggestions that we made to the federal government and, each time, we were met with an outright refusal. Why? Because in each of these solutions, the government saw an opportunity to decentralize its powers to the provinces, which it does not want to do, because its leitmotiv is to further centralize powers and to leave the provinces with their problems.

It is clear today that this government does not intend to make concessions to the provinces. On the contrary, it intends to give them more responsibilities, without the tax points which would go with those responsibilities.

Mr. Louis Plamondon (Richelieu, BQ): Madam Speaker, I would like to say a few words on the opposition's motion, which reads as follows:

> That this House call upon the government in its next budget to avoid any tax increases targeting low and middle-income taxpayers and to consider instead trimming the fat from the government, eliminating tax expenditures which primarily benefit large corporations and wealthy Canadians and collecting on unpaid tax debts owed to the federal government.

It seems a bit strange that the opposition should feel the need, on the eve of the government's second budget, to ask it to think about getting off the backs of the disadvantaged and the unemployed and start spreading the wealth more equitably.

However, the government has never stopped talking, in its electoral promises and in the red book it waved about throughout the entire electoral campaign, about equity and tax reform. It always defined itself as the protector of the ordinary citizen. It spoke of balance. It spoke of redistributing the country's wealth. Yet, since it has been in office, it has done just the opposite.

Is this surprising behaviour from a Liberal government? Is it surprising that a government led by old crocks like the Prime Minister and the Minister of External Affairs, old political hacks, who have always backed down on their electoral commitments, who have always reneged on their promises?

Let us go back a bit in the history of this moribund party. A party without a soul, that fails to keep its promises, interested only in staying in power to fatten up the friends of the regime, and let them take a turn at the trough. This has always been the Liberal party style.

Do you remember, in the 1970s, when Robert Standfield promised in an election campaign, as the head of the Conservative party, that he would freeze wages and prices, and Pierre Trudeau, the head of the Liberal Party, said wages and prices should never be frozen? He was elected on this promise. What did he do six months after? Just the opposite of what he said he was going to do: he froze wages and prices. That is the Liberal party, for you: two different messages, one for the elections, another for once they are elected.

Once they are elected, the promises are forgotten. Everything is forgotten. The red book becomes a red, blue or green paper depending on the occasion, and electoral commitments become simply good intentions that, unfortunately, the current economic situation obliges them to put off—like the postponement of the Axworthy reform or the promises to help the disadvantaged.

Do you also remember, in the 1980s, when the Conservatives brought down a budget providing for an 18 cent increase in the price of gasoline, what the Liberals did?

• (1715)

There was an historic vote, which in fact defeated that government on the pretext that an 18 cent increase in the price of gasoline was unacceptable. The Liberals said: "If we are voted back into office, there will be no increase in gas prices. We will exert better control over government spending. We will decrease the number of unemployed. All in all, we will reduce the deficit which has reached $13 billion". Once again, we believed them. Very naive, in the opinion of many Quebecers and Canadians,

we believed them. And what did they do once they got back into office? In less than a year, the price of gasoline increased by 65 cents, not 18, contrary to what they had promised.

During their term in office, from 1980 to 1985, the deficit rose from $13 billion to $38 billion. Sixteen months went by and no budget. In spite of this, Mr. Trudeau was travelling around the world. They were spending money left and right. Apparently they felt the need to interfere in all provincial jurisdictions to counter the rise of the sovereignist movement. Public expenditures were about $76 billion, but gradually rose to just over $100 billion.

So much for the Liberal government. Is it surprising that we feel compelled, as the official opposition, to enjoin the government to remember the less fortunate, to think of its election promises and the promises made in the red book? We have to make the government realize and state publicly that we remember.

I see members of the governing party lower their heads, and well they might. They are embarrassed in their ridings. They go to their ridings every weekend and are ashamed of all of these cuts.

Take the first budget, for example. They had so much hope after being elected. But no, the first budget made an incredible, unacceptable attack on the unemployed. And yet these same Liberals while in opposition had cried murder over the Valcourt reform. And the cuts made by the Minister of Finance in the last budget are 5, 10, 15 times worse than those made by Minister Valcourt in the former government. Such criticisms have been completely forgotten.

The Hon. Minister of Human Resources Development cried murder when there was talk of touching social programs. Now, he will deal the fatal blow to these programs. He proudly defends this, completely forgetting the commitments he made while in opposition and during the election campaign.

We could also talk about the Liberal Party of the 1980s, which has not changed, is still run by the same people, who broke all their commitments, even betrayed their people, for example the Prime Minister and the Minister of Foreign Affairs, in order to rise to the leadership of, or to an important position in, the party. So in 1980 they said: "Do not back sovereignty. This could jeopardize our seats. The dollar will fall to 80 cents if you do". At the time, the dollar was worth $1.03. Suddenly after the Liberals came to power, the dollar sank to 69 cents.

That is the Liberal Party, and the same people are still running it. Can we believe them when they say they will table a fair budget? Never. So, we openly say to them: "The eyes of the public in Canada and Quebec are on you. They are watching you. Your commitments are still printed in the red book and you will have to fulfil them. We beseech you to find concrete solutions". As the hon. member for Joliette said earlier, we recommended 10 ways to clean up the government's finances, to trim the fat, to make people who have the means pay and to unearth those who bury their money in tax havens. We have repeated this many times. We will see whether you will take into consideration our suggestions or if you will continue to break your promises.

Now, let us recall the last speech on free trade that the Prime Minister made in Montreal. He warned Quebecers that they will be shut out of free trade. However, when the vote on free trade was on, the Prime Minister travelled Canada–wide to preach against it, to spew out lies about it. Now, he warns Quebecers that if they declare sovereignty they may not be covered under the free trade agreement, which he now considers as an element that is essential to Canada's survival, even though he denied this throughout the 1988 campaign which was based on free trade. Two different messages, one for the election campaign, one for when he came to power. The Liberals as they have always been.

• (1720)

I will end on the following note: As a Bloc Quebecois member and as a representative of Quebec, I remind my fellow citizens, Quebecers, that trusting this government, trusting these politicians, has always led to disappointment. The time is long overdue for us to take over full power to tax and to pick and choose the services we want to share with this federal state.

Mr. André Caron (Jonquière, BQ): Madam Speaker, I congratulate my colleague from Richelieu on his heartfelt speech in which he shared his past experience with the House. Of course, he raised points denouncing the behaviour of our Liberal friends opposite who, when they were in opposition, criticized the Tories on the issue of cuts to social programs and often on the tax system. He told us clearly that the Liberal Party was not the same after the election.

I wish to ask my colleague from Richelieu if, on the basis of his experience in federal politics, he could explain to us how a party like the federal Liberal Party, which initiated major social programs, which used to pay lip service to the need to defend the most disadvantaged in society, is now cutting UI benefits and transfer payments to the provinces for social assistance and education, while at the same time closing its eyes to the fact that some members of society do not pay the taxes they owe the government. The question I want to ask my colleague is this: Based on his experience, how did the federal Liberal Party reach this point?

Mr. Plamondon: Madam Speaker, I welcome this question. Nothing the Liberals do should ever come as a surprise. They will stop at nothing. But when you say that certain social programs were instigated by the Liberal Party, make no mistake about this party. It happens that it often formed the minority back in those days. There was a left–center trend in Canada, Quebec, America and even Europe then, and this leftist sentiment often found a voice in the third party, that is to say the New Democratic Party, who traded its support to the government for rather important social measures. Therefore, the credit does not go the Liberal Party for instigating the measures, because it simply acted to ensure its survival and remain in power.

Now, there is a shift toward the right, as can be seen with the emergence of the Reform Party. So, what do the Liberals do? They go with the flow, shifting toward the right, casually casting aside any commitment or promise made and anything it has been forced to do by the NDP in the 1970s. They are now forced by the Reform Party to renege on all that. They are making this shift to the right for the sake of staying in power.

The Liberal Party can also be expected to go to any length to succeed. It has never had an ounce of social conscience. Not only does it renege on its commitments, but this is the kind of party that will happily squander public funds and do whatever it takes to stay in power. You do not have to go far to find evidence of this. Take today for example, with these Canadian flag celebrations. This is hilarious. Have you ever heard of an organization celebrating its 30th anniversary? Of course not. You celebrate a 25th or 50th anniversary. And not a penny had been spent on the 25th anniversary of the flag.

• (1725)

It has now been decided to spend $1 million on propaganda against Quebec sovereignty. They will do anything, have 800,000 posters printed, 400,000 in Quebec alone. The propaganda effort is under way, taking up million upon million of dollars, but that is no problem. That is the Liberal way. You set up three floors of office space in an office building in Ottawa, pay salaries of $90,000 to $100,000 to everyone if necessary, and you have the money to set the propaganda machine in motion. The Liberals will do anything, anything short of having open and honest discussions, honouring their commitments and going back to their red book to check what promises were made and concentrate on fulfilling them. And these are basically the things the Bloc Quebecois is asking for in its motion.

The Acting Speaker (Mrs. Maheu): I am sorry but the hon. member's time is up.

[*English*]

Mr. Harbance Singh Dhaliwal (Parliamentary Secretary to Minister of Fisheries and Oceans, Lib.): Madam Speaker, I listened with intent to members of the Bloc and members of the Reform Party. I must say I heard a lot of rhetoric from the member for Richelieu but not many solutions to the problem he has put forward.

I am wondering where members of the Bloc have been. A lot of the points they have brought forward have been discussed. In the motion they have put forward today they refer to no taxes on lower and middle income taxpayers. As a Liberal member the last thing I want is taxes. I think Canadians are overtaxed. As a government and as a member of Parliament we are working toward reducing taxes if anything. That is what the Canadian public wants.

The member for Richelieu spoke extensively about commitments. The recent byelections show where the Canadian public stands and that the government has fulfilled its commitment. That is why we won three out of three seats in the byelections. It is a pretty good signal for the government. We are following the agenda we put forward in the red book. We are fulfilling those promises and we will continue to do so.

I heard both Bloc and Reform members talk about tax increases. I have never heard the minister say that there would be tax increases in the budget. He has said that we will have a fair taxation system. No taxes does not mean that we do not want fairness and equity. We want fairness in the tax system and we want equity in the tax system. That is what the minister did in the last budget and that is what I am confident he will do in this budget as well.

Bloc members have talked about the other part of the motion which deals with trimming the fat from government. This is why I say I do not know where they have been. That is what we talked about; we talked about getting rid of duplication in government.

Mr. Thompson: Talk, talk, talk. No action.

Mr. Dhaliwal: We took action. I do not know where the Reform members were; maybe they were sleeping. Look at the boards we got rid of. That bill was recently discussed. Look at the number of patronage appointments we have dropped: one–third. I have to hand it to the Minister of Intergovernmental Affairs who has reduced the number of political appointments from 3,000 to 2,000.

We are not a party that wants to add. We want to reduce. We want to look at what federal agencies make sense and what ones do not, what are duplications and where changes need to be made. Those members should wake up. They should learn to understand and hear, not just listen.

The bill that was before the House recently talked about a comprehensive program review on which the Minister of Intergovernmental Affairs has done an excellent job. It will look from the bottom up in a comprehensive review.

Too often government keeps adding programs. We have learned that now is the time to do a very comprehensive review and ask: "Do we need this program? Does it make sense? Is it relevant today? Is the structure correct?" We have taken action and we will continue to take action on those programs.

If we look at the reductions of numbers on boards, some boards have been totally eliminated and other boards have had their numbers reduced. We can cut but there is a limit. We can only cut so much. I know Reform members want to slash and burn everything totally but that is not the solution. Those members do not understand we have to build the infrastructure, whether it is the cultural infrastructure or the scientific infrastructure.

• (1730)

If Reform members would listen they would learn something but too often they are not listening.

People always want to build silicone valleys and tremendous infrastructures. Those cannot be done overnight. But it can be destroyed overnight by slashing the budgets. Members of the Reform Party were the people who were against the infrastructure program. They do not have a very good understanding of how important infrastructure is, whether it is the road system or the communication system. All those systems are very important.

As a business person I know how important that is. If a business person wants to transport goods some 100 miles away, without a good road system it could take four hours instead of two hours, which would be more expensive. Therefore, good infrastructure is very important.

The members of the Reform Party keep talking about this huge tax increase coming up. They know it is not true. Why are they doing it? It is because their membership is dropping and they want to increase their membership. They have sent out a brochure with all sorts of figures. In the middle of that brochure, lo and behold, is a membership form. What does it say? It says: "Join the Reform Party". It is political opportunism. Shame on you. Let us give the reality to the Canadian public. Let us give the truth.

We have to deal with the deficit and we have a clear program. As I said earlier, if the Reform members would listen they would learn but too often they have this one narrow view. Any other view to them is totally out.

We have to deal with the deficit. We have to do it with a rational, realistic and reasonable approach. We have set ourselves very clear targets. We set them during the election and we are going to follow through. We said we were going to bring the deficit down to 3 per cent of GDP in the first three years.

The members of the Reform Party had this crazy plan zero in three. They have abandoned that and are now calling it zero in five. They want to do it over five years now. They have realized that it cannot be done in three years.

Part of dealing with a deficit is not only dealing with the expenditure side but dealing with the revenue side as well. We have to make sure there is economic growth and confidence in the economy. Under the Reform program you would take $40 billion out of the economy over three years. Is that going to build confidence in the economy? Is that going to create economic growth? Absolutely not. That is why a rational and reasonable approach is very important.

Reform members always talk about the pension—

The Acting Speaker (Mrs. Maheu): May I ask hon. members to address their comments through the Chair.

Mr. Dhaliwal: Madam Speaker, as I was saying, to deal with the deficit we have to have a rational and reasonable approach both on the expenditure side and the revenue side. We have set a clear agenda and clear goals. We are going to fulfil the goal that we set during the election. We continue to say that we will bring it down to 3 per cent of GDP.

On the other side is the revenue part of it. We want to make sure there is confidence in the economy. If you look at what has happened, we have done that. We have had 4.7 per cent growth in the economy. We have created 400,000 jobs. That creates confidence in the economy where people want to invest and make sure that we are able to create growth.

Another thing we have done is assist small businesses because we know they create employment and jobs. We want to make sure we reduce the paper burden on small business. We have taken steps to do that.

• (1735)

An hon. member: Hear, hear.

Mr. Dhaliwal: The member is applauding because we know we have taken concrete steps to reduce the paper burden on small business.

Also, in the creating of wealth, we have set a very good agenda on the trade side. Members have seen what a successful program the Prime Minister has put forward to ensure that in this global economy we will be able to compete, that Canadian business will be able to go all over the world to promote their products, ensuring we are not left out of the global economy.

Not only do we have an expenditure program, we also have a revenue program to make sure we deal with the current economy.

We are going to deal with the deficit. Canadians want us to deal with it and I am sure members from both sides will support

the budget, which will deal with our difficult situation in a rational, reasonable and comprehensive way.

The Acting Speaker (Mrs. Maheu): It being 5.36 p.m., it is my duty to inform the House that, pursuant to Standing Order 81(19), proceedings on the motion have expired.

It being 5.36 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*]

RELIGIOUS FREEDOM

Ms. Shaughnessy Cohen (Windsor—St. Clair, Lib.) moved:

That this House, recognizing the fundamental Canadian right of religious freedom and the courageous contributions of our veterans of all faiths, urge the Royal Canadian Legion and its constituent branches to reconsider their recent decision so that all of their members will have access to their facilities without having to remove religious head coverings, including the Sikh turban and the Jewish kipa.

She said: Madam Speaker, I am splitting my time with the hon. Secretary of State for Multiculturalism and the Status of Women.

Although I proudly represent the riding of Windsor—St. Clair, I was not raised there. I grew up in a small town, a village actually, Thamesville, Ontario, in the riding of Chatham—Kent. I grew up in a warm, wonderful home with caring parents, four caring sisters, in a caring village of only 1,000 people. I grew up thinking that our way of life, my family's way of life, the way we related to one another, the expressions we used, our relationships to our extended family, the food we ate and all the things we did were just plain Canadian.

However, as I grew older and my personal world expanded, my perception of what was Canadian changed radically. My parents adopted three sons, my brothers, who are proud to be aboriginal Canadians. I went to a university. I made friends with men and women of colour, of varying religions and heritages. I married a Jew and I raised with him our daughter in a new multicultural world.

Eventually it came full circle as I came to know friends who were recent immigrants to Canada from Ireland. I visited their home. I watched their way of life, the way they related to one another, the expressions they used, their relationships to their extended family, the food they ate. I realized with something of a jolt that I was seeing my own roots. There remained things in my life that still hearken back to the Shaughnessys and the Brennans who came to Canada in the 1840s and to the Murrays and Bradys who came here at the beginning of this century.

I realized then that I, a fifth generation Canadian on my mother's side, am different. I realized that I am a product of my heritage, and I am entitled to be proud of that heritage. Pride in my heritage is pride in my present. My heritage is very much a part of the Canadian fabric.

Over the centuries there have been vast waves of immigration to Canada. Aboriginal people migrated here; Europeans came. People came from the Middle East, Africa, India, Japan, Vietnam, Korea, China and points east. With them came their heritage, their culture and their religious beliefs. My maternal ancestors, like many of them, came here not voluntarily but because of persecution in Ireland.

• (1740)

They were fleeing an artificial famine. They lost their property and were hoping to find a place where they could live in economic freedom and could practice their religion.

That is one very good reason why new Canadians come here today. I say that it is the duty of all Canadians to welcome them, their heritage, their religions and to honour their traditions and let them practice them, just as my great–great–grandparents were allowed to go to mass, to dance their jigs, to drink their beer and to live in peace.

This motion is not just about the Canadian Legion. This motion is about Canada, our multiculturalism and our tolerance of our fellow citizens. On Remembrance Day 1993, the Newton Royal Canadian Legion hall in Surrey, B.C. refused to permit four Sikh veterans into the hall because of their religious headgear.

The four individuals were a retired Indian air force technician and three Sikh World War II veterans. Thirteen other veterans trooped from the hall to show their support for the Sikh members.

On entering the Legion hall, removing hats out of respect for fallen comrades is a dearly and deeply held tradition. On May 31, 1994 delegates to the Royal Canadian Legion's national convention voted against a bylaw that was revised by the dominion executive council that would have required all of its 1,700 branches to admit those wearing religious headgear into public areas of Legion halls.

Today only about 5 to 10 per cent of the Legion's constituent branches are opposed to the wearing of religious head–dress as they feel it displays disrespect to Canada's war dead. They claim that it is their right to make this decision because they have a private club. They say that because they took a democratic vote, the majority must rule.

Both the Canadian Jewish Congress and the World Sikh Organization realize that this decision does not represent all veterans and is not binding on all Legion branches. I would like

to point out that in zone 10 of the Royal Canadian Legion, which is the town of Tecumseh that I represent, the city of Windsor part that I represent and the town of LaSalle, the newest town of Ontario which is part of the riding of Essex—Windsor, no Legion discriminates against people based on their headgear.

I call on the Legions and I call on other organizations to recognize that headgear and other religious symbols are simply that. They are the symbol to that person of a deeply held belief.

The Quebec Human Rights Commission yesterday ruled that the wearing of a veil by Muslim women is not something that can be interfered with by the state, nor is it something that should be forbidden in schools or in public places. The Royal Canadian Mounted Police have accepted religious headgear as part of their uniforms.

My father, who is a veteran and my constituents who are veterans, are proud to march next to the many great Sikh veterans, the many great Jewish veterans who wear kipas or yarmulkas. They are proud to march with them and we all should be. Instead of forbidding them from entering our institutions, instead of giving them a hard time, we should be thanking them for the freedoms they have preserved, so that Shaughnessy Cohen can go to mass, so that she can serve in the House of Commons, the freedom that others have in this society that we would not have if it were not for them.

I call on this House to support this motion. I call on all members to urge the Royal Canadian Legion and it constituent branches to reconsider their recent decision.

Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women), Lib.): Madam Speaker, I am pleased to second the motion brought before us and I thank the member for Windsor—St. Clair for raising this issue today, particularly as it comes so close to the beginning of a new year, one in which veterans will be much in our thoughts.

• (1745)

This year we observe the 50th anniversary of the end of the second world war. We recall the Canadians who fought in that conflict, above all those who lost their lives on the field of battle and also those who returned after the war to continue working peacefully for the same principles for which they had once fought. Those principles were democracy, human rights, freedom of the individual, and respect for people of different appearances, cultures and religions. These principles have become woven into the very fabric of Canadian society.

I am sure all hon. members of the House honour Canada's veterans as well as the organization that has represented them with such dignity for nearly 70 years. I am referring of course to the Royal Canadian Legion. We admire its members for upholding Canada's traditions. The most important of those traditions are the principles for which legion members fought and bled on our behalf half a century ago.

Back in 1986 a commemorative volume was published to mark the legion's 60th anniversary. It is a handsome book, full of warm anecdotes and evocative images. At one point it notes how the legion has evolved along with the country. It states:

> The people of today's Legion reflect the complex cultural mosaic of Canada. Though they hail from diverse ethnic backgrounds from Inuit and Indian to Greek, Jewish, Ukrainian, Polish and French Canadian, all Legion members are united by common ideals. They are joined by a spirit of volunteerism and a dedication to peace and democracy, patriotism and commemoration, mutual help and wide community service.

That spirit of service has made the Royal Canadian Legion a highly valued national institution. Through it our veterans have gone on contributing to our country in years of peace as they once did in wartime. It is a matter of deep regret now to find this organization embroiled in a controversy that threatens to lower the esteem of Canadians for this grand institution, the legion.

[*Translation*]

It is certainly not up to this House today to define the rules on how members of the Royal Canadian Legion should pay tribute to our country's victims of war. Nor should we decide how Sikhs and Jews should practice their religion in Canada. Rather, we must ensure that all Canadians are treated in compliance with the law and the fundamental principles which govern our society.

While very unfortunate, that incident forced us to reconsider these principles and ask ourselves if we comply with them. Indeed, this review could help us define the kind of country we want and how we can build it. And that should be the most significant aspect of what happened on November 11, 1993.

[*English*]

Imagine, Madam Speaker, that you should meet a gentleman of the old school whose distinguished bearing is a sure sign of his military background. He tells you that, following in his father's footsteps, he enlisted at the age of 18 and served for nearly 40 years in the armed forces. During the second world war he fought in North Africa at El Alamein, Tobruk and many other famous battles.

Since Remembrance Day is approaching, you invite this gentleman and some of his colleagues to join with you and your fellow veterans to mark the occasion. But when they turn up wearing their well–earned medals, you subject them to a public humiliation that shocks them and many of the participants in the observant ceremonies.

It is hard to believe that such an incident could happen here in Canada. But it did happen in 1993 when Lieutenant–Colonel Pritam Singh Jauhal and four other Sikh veterans from Surrey,

British Columbia were refused admittance to the nearby Newton legion branch even though they were invited guests. The door was barred to them unless they agreed to remove their turbans, something observant Sikhs could never do.

One would have expected them to have been made welcome in every way out of feelings of gratitude, respect for their years, or simple hospitality. Instead, less rational feelings held sway that day.

Though within weeks the president of the branch offered an unconditional apology, last May the legion's dominion convention revived the controversy by voting down a proposal to allow religious head–dress in legion halls. The convention thereby barred from legion premises orthodox Sikhs who wear the turban, as well as orthodox Jews who wear a skullcap or kipa.

• (1750)

Legion members argued that their tradition requires all who enter legion halls to remove their head–dress as a mark of respect to those who fell in battle as well as to the sovereign. No one can question the desirability of showing respect, but surely there are different ways of doing this.

[*Translation*]

What are these issues, and why do they generate such concern? One of them may have to do with freedom of religion, while another is undoubtedly related to the right of all Canadians to equal treatment, without discrimination based on race or on national or ethnic origin. However, these rights are part of Canada's global social and political structure. What is at stake here is the very nature of that structure, the type of society in which we live, as well as the kind of country which we want for ourselves and for future generations of Canadians.

[*English*]

In a letter to the Prime Minister, Lieutenant–Colonel Jauhal and his colleagues recently wrote about their wartime service:

> During the second world war alongside the Commonwealth armed forces, we too put our lives on the line to protect the Commonwealth and preserve the democracy in which different people could live together and enjoy freedom in peace. Irrespective of different nationalities, faiths and cultures, we all in the Commonwealth armed forces developed comradeship, esprit de corps and tenacity and formed ourselves into a well–knit united family. Not only did we respect each other, we would have died for each other.
>
> During the second world war—no Canadian comrade asked us to remove our turban at that time. At Buckingham Palace Sikhs were allowed to appear in turbans before the King and Queen to receive awards. In Victoria last August the Queen met and chatted with each one of us. She did not ask us to remove our turbans.

If there is a note of bewilderment here, I think it is understandable. The Queen is a living symbol of Canada's traditions as well as those of the legion. If she is able to countenance the turban, to look beyond the headgear to the man, cannot the Royal Canadian Legion do likewise?

The Sikh veterans who were refused admittance have filed a formal complaint with the British Columbia Human Rights Commission. I have little doubt that through such formal channels they can gain a ruling in their favour. But would it not be preferable to do the right thing willingly rather than under court order?

There is more at stake here than simply showing civility. The five who were turned away are Canadians as much as I am and everyone else is in this Chamber. Whatever their appearance or religion, they have the right to participate fully in our national life.

Still more, all of us are impoverished if any group is marginalized and denied full participation. Even in the case of those who refuse to accept religious head–dress, we gain nothing by putting the worst interpretation on their actions. In fact, I think we misrepresent them by doing that.

The comments of legion members who voted against allowing headgear suggest that they were acting to uphold traditions. In the decades since they fought for our country they have seen Canada change at a dizzying pace. Successive waves of immigrants have transformed the face of Canadian society. This change is thought by some to be jeopardizing our fundamental values and traditions.

Let us recall what our traditions truly are, what being a Canadian and possessing a generosity of spirit is all about. Ultimately, I think we can all agree it is not a matter of appearance. This country derives its identity and its greatness from the principles for which our veterans fought: democracy; basic human freedom; fairness; justice; and equality of rights for all. Just plain decency.

By acting on these principles we uphold Canada's traditions. By working to realize these ideals in our ever evolving multicultural society, we show that we have not forgotten the sacrifices of our veterans. We will always remember them.

• (1755)

I am confident that the members of the Royal Canadian Legion will demonstrate in peacetime the same courage they showed in battle. For all of us, they can continue to set an example of generosity, of inclusion, and fairness.

I thank the member for allowing us to have this discussion today.

[*Translation*]

Mr. Maurice Godin (Châteauguay, BQ): Madam Speaker, as the veterans affairs critic for the official opposition, I welcome the opportunity to take part in this debate. However, we cannot expect the debate on the motion moved by the hon. member for Windsor–St. Clair to provide us with the answer to a

problem involving the rights of the individual and the rights of the community. We can explain our respective positions and comment on them, but it would be hazardous for anyone to claim that he or she has the answer.

After establishing the principle of human rights a number of years ago, we started to establish the boundary between individual rights and the rights of agencies, corporations or companies. We know that these two kinds of rights—individual and collective rights—may or may not clash, depending on how tolerant or intolerant people are.

Individual rights have been recognized for many years by various charters of rights and freedoms. One that stands out is the charter adopted unanimously by the Quebec National Assembly in 1975. These charters recognize the right to fundamental freedoms such as freedom of conscience and freedom of religion, freedom of thought, belief, opinion and expression, freedom of peaceful assembly and freedom of association.

Some of these individual or collective rights may impinge on one another. We all know this fundamental principle: one person's freedom extends to where the other person's freedom starts. However, although Parliament can indicate how we should see the nature of this boundary between my rights and the rights of my neighbour, it is up to the courts to make a decision in disputes that may arise between conflicting rights. We can suggest where the boundary should lie, without actually changing anything. In this case, we think that, in time, a consensus will develop in favour of greater tolerance.

Tolerance, and by that I mean accepting the differences of the other person, is not always easy to accept when we are directly involved. Tolerance can quickly turn into resistance when we are directly confronted with a total departure from what we see as normal.

In this particular case, the Legion tells us that the wearing of the Sikh turban and the Jewish kipa is not allowed in the facilities of the legion, any more than any other head coverings. To the legion, the religious aspect of certain head covering is irrelevant. The Royal Canadian Legion argues that an organization has the right to impose certain rules and practices within the framework of its activities.

This position is not consistent, however. A spokesperson for the Canadian Jewish Congress pointed out last June that the Legion had no trouble with cowboy hats or baseball caps. Why the inconsistency?

At a Christmas party in 1987, a branch of the legion in Alberta barred a Sikh wearing a turban from entering its premises, although the hall had been rented for the occasion and the Sikh was not a member of the legion. He then filed a complaint with the Alberta Human Rights Commission. A tribunal finally asked the branch to apologize and amend its discriminatory regulations since the legion does not have the right to deny access to public activities. The branch made minor changes without allowing full access.

The 1990 turban scandal provoked strong negative reactions in many branches of the Royal Canadian Legion against legitimate differences that are not prejudicial to legion members in any way. On November 30, 1993, Sikh veterans participating in Remembrance Day ceremonies in Surrey, British Columbia, were denied access to royal legion facilities because they refused to remove their turbans.

• (1800)

In February 1994, the president of a local branch in Cornwall, Ontario was reinstated after being suspended by the provincial branch after he spoke against the wearing of turbans. Either to clarify the situation or to try to hold back the movement against the religious practices of fellow soldiers, the Royal Canadian Legion took the opportunity, at its annual convention in late May 1994, to urge participants to pass a resolution allowing Sikh members to wear religious head–dress on branch premises.

Those present rejected this proposal, forcing their national president to resign on the spot. Without a national policy, individual branches are still free to regulate access to their facilities as they see fit. This event has stirred up many reactions, here in the House of Commons as well as in the media. Local chapters of the legion that have formulated or maintained the restrictions concerning the wearing of head–dress have pointed out that they are exercising a right accorded to private organizations such as theirs.

In fact, the Royal Canadian Legion has its roots in a private organization formed on July 10, 1926, which through federal statute assented to on June 30, 1948 was incorporated as the Royal Canadian Legion. The best conclusion that I can offer this Chamber is undoubtedly the one that preceded us by 24 hours, in Montreal. Yesterday, the Quebec human rights commission published a legal opinion concerning the banning of the Islamic head scarf. It ruled clearly that such bans were a violation of freedom of religion.

In the same breath, however, it recalled that section 20 of the Quebec charter of rights and freedoms allows non–profit organizations to impose rules consistent with their objectives of a charitable, philanthropic, religious, political or educational nature. For the commission, this provision would not, however, allow interference with the freedom of conscience or religion of an individual.

The Quebec human rights commission is in a way proposing a set of rules under which the current debate on religious pluralism could take place. They set out clearly the legal principles that the courts should rely on in dealing with these issues. Although it emphasizes that the Quebec charter would prohibit any discrimination on the basis of religion, the commission does not recommend that the courts be asked to settle disputes.

Instead, it invites the opposing parties and the general public to arrive at a consensus on the broader issue of conflicting rights.

This is our choice. We hope that attitudes will evolve and that each of us will become aware of the worth of others, with respect for the self. We invite the Royal Canadian Legion to examine the opinions just published by the Quebec human rights commission.

[*English*]

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Madam Speaker, I am pleased to rise today to speak on Motion No. 310.

My fellow colleague's attack against the Royal Canadian Legion, an independent association of veterans who risked their lives to fight racism and oppression, is in my opinion unfounded.

The Royal Canadian Legion is not an organization permeated with bigots and racists—far from it. The legion is an organization of war veterans with their own valued customs and traditions to show respect for their fallen comrades.

Their methods of showing respect are their own and should not be subject to parliamentary inquiry. I feel strongly that my colleague has misinterpreted the whole issue.

During the 35th dominion convention of the Royal Canadian Legion which was held in Calgary from May 29 to June 2, 1994 the legion passed a resolution:

> Branch bylaws or house rules shall include a provision for the wearing of head–dress in the premises and when doing so must provide that religious head–dress is not considered to constitute head–dress in the traditional sense.
>
> Therefore, once a person who is required to wear head–dress by his faith has been accepted as a Legion member, or invited as a guest to a Legion branch, he is authorized admission to all areas of that branch that are normally open to the general membership or invited guests.

• (1805)

This bylaw clearly states that once a branch allows an individual in as a member or as a guest that individual will have access to all areas of the branch regardless of religious head–dress. This is a sensible policy.

However, individual branches can comply with this bylaw as they see fit due to their grassroots independence from the dominion command. Individual legion branches have the right to accept or refuse all new members, period, regardless of head–dress. Therefore, the legion has taken effective action to ensure that all Canadians have access to their facilities.

President of the Royal Canadian Legion, Mr. Hugh Greene, stated after the convention: "It is wrong to say that the convention banned turbans. The delegates did not vote to ban religious head–dress from branches. The vote was to rescind a national general bylaw that imposed a dress regulation on branches. This decision took the responsibility for branch head–dress rules back into the hands of the branches".

I find it hard to comprehend why my colleague wants this decision reversed. As she states in her motion:

> —urge the Royal Canadian Legion and its constituent branches to reconsider their recent decision.

Is the return to a national general bylaw imposing a dress regulation in the best interest of all Canadians? I do not think so. I think it is important for Parliament to respect the right of organizations such as the legion to make and maintain their own bylaws. Nobody in Parliament would question the bylaws of the Kiwanis Club or the Optimist Club. Besides, the Royal Canadian Legion has been very generous in its interpretation of its customs. The vast majority of legion branches are following the resolutions passed by the conventions.

If the members across the way would listen for a minute, the statement made was that the vast majority of legion branches are following the resolution passed by the convention.

John Spellman, professor of Asian studies at the University of Windsor, documented that in the past 67 years and out of a membership of nearly 700,000 there have been fewer than six cases in all in Canada involving turbaned Sikhs not being admitted to Legion halls. No person of Jewish descent has ever been turned away. The Human Rights Commission has only ever decided against a legion branch once. Many veterans who require head–dress for religious reasons have been legion members for years.

My colleague's motion has called into question the integrity of the Royal Canadian Legion and I feel strongly that I must set the record straight. I would like to take this opportunity to tell the House what kind of organization the Royal Canadian Legion is.

We all know the legion was formed after the great war to help veterans secure adequate pensions and other well earned benefits for them and their families. Today's Royal Canadian Legion has many other stated purposes and objectives which include bringing about the unity of all who have served their country, furthering the spirit of camaraderie, striving for peace, goodwill and friendship among all nations, co–operating with the commonwealth and allied associations with similar aims and encouraging, promoting and engaging in or supporting all forms of national, provincial, municipal and community service or any other charitable purpose.

Today's Royal Canadian Legion benefits everyone in this room and all Canadians.

• (1810)

Its programs have had a very positive impact throughout the communities that are blessed with a legion branch. In 1993 the Royal Canadian Legion's 1,720 branches contributed $63 million and over 2 million volunteer person hours to their communities.

The Royal Canadian Legion, through its service bureau which acts as an advocate for thousands of veterans and their families, provided assistance to those veterans.

In 1993 the Royal Canadian Legion provided $6.8 million in direct support and over half a million hours of volunteer time assisting 67,000 veterans.

The legion is also active in supporting commonwealth veterans internationally. As a member of the British Commonwealth ex–service league, the Royal Canadian Legion has welcomed the responsibility for assisting Caribbean veterans through 15 Caribbean ex–service organizations in countries such as Jamaica, Trinidad and Guyana.

The legion has also assisted peacekeepers who have been injured during peacekeeping activities. We are all familiar with the Royal Canadian Legion's remembrance and poppy campaign. It raised nearly $5.2 million in 1993 which is used to assist needy veterans and their families. It was also used to purchase medical supplies and funds, medical research and training.

In 1992 the legion's senior program provided seniors with $3.9 million in direct support and contributed 400,000 hours of volunteer time assisting 57,000 seniors. It also provided hundreds of thousands of dollars to help train practitioners in gerontology and geriatric medicine.

In addition, the legion sponsors Meals on Wheels and provides transportation for seniors and disabled Canadians. It helps them reach day hospitals, recreational activities and medical appointments.

The Royal Canadian Legion is one of the country's leading community organizations. It contributes tens of millions of dollars to private charities annually.

In 1992, $10 million was earmarked for direct support of youth activities such as the finest youth organization in the world, the Royal Canadian Air, Sea and Army Cadets across the country. Also, much needed money went to Scouts Canada. It provides the children and grandchildren of veterans with educational bursaries and scholarships.

I would like to take a moment to offer all my colleagues in the House an opportunity to pay tribute to the good deeds of the Royal Canadian Legion. I can only pray that the Royal Canadian Legion remains an independent, grassroots, democratic organization, for without the input of the grassroots, the legion would not be the progressive community organization it is today.

It has assisted more Canadians than any other non–government organization I know of.

Mr. Barry Campbell (St. Paul's, Lib.): Madam Speaker, it is with great pleasure that I rise today to speak to Motion No. 310 which urges branches of the Royal Canadian Legion which do not permit Jews and Sikhs to wear religious head dress in their branches to reconsider this discriminatory practice.

As my hon. colleague for Windsor—St. Clair suggests in her motion, all members of the legion must have access to legion facilities without having to choose between their legion affiliation and their religious belief.

As most of us know, the Royal Canadian Legion does excellent work among other worthy things in perpetuating the memory and deeds of the fallen. Founded in 1925 by Field Marshall Haig, the Canadian Legion of the British Empire Service League was organized to bring veterans' concerns to the attention of government.

In 1960 the organization was renamed the Royal Canadian Legion and continues to this day to act as an intermediary between veterans and government.

[*Translation*]

Today, the Royal Canadian Legion is made up of 1,720 branches and has over 570,000 members. The mere mention of the Legion conjures up the poppy campaign, the November 11 parades as well as the design and literary contest for high school students. Indeed, the Legion has taken on the task of bringing together, within a democratic and non partisan association, the men and women who fought in the various branches of the Armed Forces.

• (1815)

However, the non partisan nature of the Legion has been put in question by the unfortunate incident where Sikh veterans were denied access to Legion facilities for refusing to take off their turbans. In trying to deal with subsequent allegations of racism, the Dominion Command of the Canadian Legion put forth a resolution to amend the rule concerning the wearing of the Jewish kipa and the Sikh turban inside Legion facilities. It read in part as follows:

[*English*]

> Once a person who is required to wear a head–dress for (the Jewish and Sikh) faiths has been accepted as a Legion member, they are to be authorized admission to all areas of that branch that are opened to the general membership or invited guests.

Unfortunately at the general assembly in May last year more than 75 per cent of the legion's delegates voted down this resolution. In so doing they placed in jeopardy the non–sectarian nature of the legion. Those who voted to maintain a ban on head–dress within legion premises refused to depart from a principle to the effect that wearing a hat shows disrespect to the fallen. The national president was so outraged he immediately resigned.

Fortunately not all members of the legion have similar narrow views. A letter published in the February 1994 issue of *The Legion* reminds legion members of the spirit of friendship and camaraderie that is supposed to be found in legion halls. It states:

> It seems to me some of my comrades have forgotten that one of the things they fought for was democracy and within that democracy is the right to practise religion. If, in so doing, it means that uncovering one's head would be an offence to one's god, then why should we be affronted? These people are not slighting the memory of those who paid the greatest sacrifice for freedom. Instead, we should be open minded enough to remember that some Sikh veterans fought in the same campaigns with great distinction, and wish the fellowship of their comrades in a Legion branch without being harassed by close minded discrimination.

[*Translation*]

In an effort to appease the strong public outcry against the proposed motion being rejected, the Dominion Command urged Legion branches to reconsider their decision. I am pleased to report to this House that almost 90 per cent of the branches have now passed motions recognizing the important contribution of Jewish and Sikh servicemen in the world wars and, consequently, repealed their discriminatory policy on religious head–dress. Unfortunately, another 10 per cent did not.

[*English*]

It is important to state once again that Canadians of various religious backgrounds, including Jews and Sikhs, have in the past served and continue to serve with great distinction in Canadian and other Commonwealth forces. Their faith did not prevent them from serving and dying for their country.

In the second world war alone, 10,235 Canadian Jews served in the army, another 5,889 in the Royal Canadian Air Force and yet another 596 in the navy. I am sad to remind the House that 429 Canadian Jews were killed in action from 1939 to 1945, over 200 were wounded and 84 were made prisoners of war. In recognition of their valuable contribution to the war effort almost 200 Jewish soldiers were decorated.

Should not all veterans regardless of their gender, ethnic origins and religious affiliation receive fair and equal treatment by the Royal Canadian Legion?

By refusing to adopt a resolution permitting Jews and Sikhs to wear their religious head–dress on legion premises, some members of the legion have shown themselves to be insensitive to the Canadian reality and to the members they are supposed to represent.

Canada is not a monolithic society. Unfortunately some are still unwilling to acknowledge our cultural and religious reality. Some branches of the legion have adopted regulations that may contravene Canadian and provincial human rights legislation. These branches need to be reminded that Canada has a long and well respected tradition of tolerance. The legion should reflect upon its decision and its actions in this light.

It is sad that in 1995 some still do not accept and respect our rich and diverse cultural and religious traditions. We must continue to work toward better understanding among all Canadians, not the opposite. This debate is extremely important for it causes us to reflect on the work that remains to be done; too much work unfortunately.

Members of the branches that have banned religious head–dress must be made aware that the kipa is not a hat to a conservative Jew. He does not wear it for vanity but in order to observe a religious injunction to cover one's head before God. With respect to the turban it is more than a simple regalia to an orthodox Sikh. It is a powerful symbol of the mystery which binds the man to his faith.

• (1820)

Incredibly during the Calgary Stampede some branches allow their members to drink beer and socialize with their 10–gallon cowboy hats fitted nicely on their heads. The rationale behind this exemption is: What would the stampede be without our cowboy hats? Why do some legion branches believe that a legion member who wears a 10–gallon hat in the legion hall during stampede is only following tradition, while a Jew who wears a kipa or a Sikh who wears a turban is showing disrespect for the fallen.

I am concerned that Jews and Sikhs are being denied entry by some branches because some legion members are uncomfortable with fellow members who look a little different or whose headgear may demonstrate that they are a little different. These members think that maybe they do not belong. They belong as much as any other Canadian. Our differences do not divide us; they enrich us.

We each have a duty to denounce all forms of discrimination. Ironically it is in our own self–interest to do so. The Protestant theologian Neimoller said after World War II:

> When the Nazis came to get the gypsies I did not say anything because I was not a gypsy. When they came to get the communists I did not say anything because I was not a communist. When they came to get the Jews I did not say anything because I was not a Jew. When they came to get me there was no one left to stand up for me.

We have a moral obligation to strive to understand one another as a people. Whether a Jew wears a kipa, a Sikh a turban, a Calgarian a cowboy hat or a Torontonian a Blue Jays cap, we are all Canadian citizens and have a right to express our beliefs without fear of discrimination.

I urge branches of the Royal Canadian Legion which prevent members from wearing a religious head–dress to reconsider

their position so that they foster a climate of tolerance and understanding. I believe the legion should be an agent for tolerance and understanding within Canadian society. I am only surprised that this is not universally the case.

The legion should never forget the principles its members fought and died for. The legion, as should all Canadians, should remember the eloquent words spoken by our Prime Minister on the beaches of Normandy for the 50th anniversary of D–Day:

> In death they are not anglophones or francophones, not from the west or from the east, not Christians or Jews, nor aboriginal people or immigrants. They were Canadians.

They died as Canadians and I think some branches of the legion insult the memory of these Canadians by excluding other veterans from legion posts.

Mr. Myron Thompson (Wild Rose, Ref.): Madam Speaker, I am pleased to have the opportunity to speak to Private Members' Motion No. 310.

I would like to start by reminiscing a bit back to the sixties when I first immigrated to Canada. I remember a couple of incidents that happened during my early arrival to Canada that I will never forget. One was a fairly simple matter.

When we were first invited into the homes of some of our neighbours, my wife and I went tramping in like one always does in Colorado where we came from. When other guests arrived and I noticed no one had any shoes on their feet it kind of surprised me. I asked: "What is this? Don't you guys believe in wearing shoes any more?" They informed: "That is what is done in Canada. When we visit we take our shoes off". I said: "I can buy that. I will be prepared for it, though, in case I ever have to take my shoes off".

The next time we went out to visit somebody we removed our shoes because that was the way it was done. Of course when I went back to Colorado after getting accustomed to it, I took my shoes off when I went to visit and they laughed at me because that did not happen there. That is fairly minor.

I remember another time my wife and I attended a community dance. When they announced it was the last dance I grabbed my best friend, my wife, and I said: "Come on, let's have this last dance together". They finished and then they played another song. I thought we were going to have one more. It took about three twirls before it dawned on me that everybody else was standing still because they were playing: "God save the Queen". That was a little embarrassing. I twirled around the floor just about three steps too many not to be embarrassed. I felt a little strange. I can say the next time there was a community dance I not only stood with the rest of them but I sang the words; I learned them.

• (1825)

I tell those stories because there were a number of things we had to get used to when we moved to Canada. Although we were not that far apart, a number of things were different.

Another thing I remember that caught me off guard was going into a club. It was not the legion; it was an Elks club, I believe. I did not realize the difference in Canada. In my state they had an Elks club. I was not a member but I always went there. In this club in Canada I did not have a membership so I was not allowed in. I accepted that as being the way it was. It took me and my family a number of months to get accustomed to different things that were happening.

What worries me about a bill of this nature is that it is a bill that says to a certain segment of society that it does not do things right, that we are going to legislate and do it the way it should be done. I realize it is just a motion to encourage the legions to reconsider. However my biggest fear is that if that is not the case and these wishes are not followed, would it some day become the wish of the House to legislate a rule that would affect an organization of this type?

When we start making legislation that controls the rights of individuals or controls the collective rights of organizations, we are stepping out of our bounds as legislators. I do not think we are here to start controlling things. I hope we do not get to that point in our lives.

I hope everybody here who has feelings today will express those feelings to the legions in the manner they should. I would not want it to be a collective thing coming down in any way, shape or form from the House saying: "We know what is best for you people out in Canada. Let's get away from that idea. We are going to do it for you. If not then we are going to have to do some other things".

I recall attending a golf tournament one time. A fellow drove about 300 miles to join us in that tournament. He came from Peace River and the golf tournament was in Red Deer. He walked in with his 12–year old son. Immediately the golf managers told him that the son had to leave because he had Levis on. Levis were not allowed. He said: "We came a long way. He is just going to caddy". It did not matter. Levis were not allowed on the course.

Are we to start going to golf courses and saying: "You have to change your dress code because you are offending some people?" Do we have to go to restaurants that say we have to wear a coat and tie to come in? They set the rules so we do not go in.

We should get away from the idea that we have to be involved in controlling the situation and not leave it in the hands of good common sense thinking Canadians. If we give them time to

organize their thoughts, rules and regulations, it will come into play where we can all be happy with it.

However when we start acting as government officials who know best and suggesting as legislators the way it has to be, it is wrong. It worries me that we would even consider to move in that direction. I encourage us not to do so by means of legislation, a member's motion of this nature or anything else.

If members wish to express their desires as they have done so well today, they should do so to the legion clubs in their ridings as individuals and not as a collective unit of government saying: "It is our way".

Mr. Harbance Singh Dhaliwal (Parliamentary Secretary to Minister of Fisheries and Oceans, Lib.): Madam Speaker, first let me congratulate the member for Windsor—St. Clair for giving the House the opportunity to debate the issue. Also let me congratulate my colleagues who were so articulate in this situation.

I would like to inform the Reform member that we do have a law. It is called the Charter of Rights and Freedoms. Under the Charter of Rights and Freedoms it says that we do not discriminate. There is a item called freedom of religion. I encourage him to take some time to look at that.

• (1830)

I do not think I can articulate better than members have already the concern in terms of the legion and how in certain branches—there are a few, not many—there is discrimination against Sikhs who wear headgear.

My grandfather came here in 1906 and was one of those who wore a turban. He would not be allowed in certain legions right now because of his turban. That is terrible. A member of this House of Commons would also not be allowed into certain legions and I find that unacceptable.

I would like to leave my colleagues with an example that happened in my riding. I think it articulates best what our young people are thinking. I believe we have to learn from our youth.

In a Churchill high school, which I attended as a student, the members voted to not participate in the Canadian legion poppy fund. They gave very good reasons when they said: "We want to support the veterans of this country, but we cannot do it through the Canadian legion". The students voted in a democratic election. The overwhelming majority refused to get involved in the poppy fund. It was not because they did not believe in the veterans but because of what the legion did, the discrimination of some legion branches. That is why they refused to participate.

That is leadership. That is looking ahead. But the students also said: "We are going to have our own poppy fund. We are not going to let those veterans down. We want to support those veterans so we are going to make our own poppies". I applaud those students for showing leadership and for showing us which way to go.

I am a Sikh, as many of my colleagues know. I am not a turban Sikh because I am not an orthodox Sikh, but I can tell you that this is very important to me. Frankly, I was disappointed in some of the comments made by members of the Reform Party. I know that many members from the Okanagan would also be disappointed.

That example shows that our young people are taking leadership. They are saying: "We do not accept discrimination. We do not accept bigotry. We want to tolerate people. We want to include people. We do not want to marginalize anybody. We do not want to exclude people. We want to bring Canadians together". That is what this is all about. We want to bring Canadians together. We want to understand each other.

My own children who are seven, twelve and thirteen share Indian food with other children. My daughter came home singing a Hebrew song. That is what sharing is all about, what understanding is all about, what tolerance is all about. That is what all of this is about. Racial harmony is linked to economic prosperity. It is also linked to a better understanding. As Canadians we have to move forward.

There have been times in Canadian history when there has been discrimination. We look back on it and ask: Did this really happen? In 20 years from now we will look back and ask: Did this really happen in Canadian history? And we will not believe that it did.

I want to thank all the members who have articulated this issue so well. I am sorry I do not have more time to speak. I am sharing it with another member.

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.): Madam Speaker, I am pleased and privileged to rise in the House today to speak to Motion No. 310 presented by my colleague, the hon. member for Windsor—St. Clair.

As the House is aware, I am the first turbaned Sikh to sit in the House of Commons. The turban is recognized by this House as religious headgear and no restrictions whatsoever are placed upon me. Likewise, Her Majesty the Queen has clearly indicated that the wearing of the turban in her presence is totally acceptable. The Queen's aide, Robin Janvrin, in a letter dated September 13, 1991 wrote: "I confirm that many Sikhs have been invited to Buckingham Palace over the years. They were not asked to remove their turbans".

Today's motion urges the Canadian legion to recognize that the turban is not simply a hat, but rather it is an integral part of the Sikh faith.

• (1835)

The Sikhs have proudly served during the time of war all the while wearing their turbans. The fact that the turban has been recognized by the RCMP and the Canadian military as suitable

dress for parade or duty should be extended to the wearing of religious headgear in the legions.

What was World War II all about anyway? Was it just fearless exploits and dramatic battles? Or was it about fighting for freedom, including religious freedom at a time of virulent anti–Semitism?

The brave soldiers of all faiths fought and died so that the living would be respected. They died so that a religious Jew would never be forced to remove his yarmulke and a devout Sikh would not be humiliated by being asked to remove his turban.

On the battlefield, no one asked Jewish and Sikh soldiers to fight and die without their religious headgear. Yet now, the yarmulke and turban are deemed disrespectful, on par with a cowboy hat, baseball cap or fedora.

In voting down the pleas of their own leadership to allow religious headgear into legion halls, the convention delegates violated the spirit of Canada's human rights laws and trampled on traditional Canadian values.

Today's motion would ensure that this situation would not be allowed to continue. I urge all of my fellow members in the House to support this motion and once and for all put this humiliating situation to rest.

The Acting Speaker (Mrs. Maheu): 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.

ADJOURNMENT PROCEEDINGS

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

TRANS–CANADA HIGHWAY

Mrs. Elsie Wayne (Saint John, PC): Madam Speaker, I rise to pursue a question that I asked the Minister of Transport last week in the House about a proposed route for the Trans–Canada Highway through New Brunswick.

In answering my question the Minister of Transport said that he could not address the matter because it was a provincial jurisdiction. What the minister failed to note was that the federal government cost shares on all trans–Canada projects. That makes it a federal concern.

Although the ultimate route has not yet been determined, the New Brunswick government is leaning toward the idea of an expanded Trans–Canada Highway from Fredericton to Moncton, New Brunswick through Jemseg Marsh and CFB Camp Gagetown. This plan will cost an estimated $1 billion and will cause environmental problems.

Under this plan, Saint John would not be on the Trans–Canada Highway route. As the province's largest city, its industrial centre and the city closest to the U.S. border, Saint John should be directly on the TCH. In fact, this new route would also cut off Sussex, New Brunswick and many other towns and villages along the way.

There is an environmental assessment being done of Premier McKenna's choice of the route. The possibility of the route going through a designated flood plain and going through Camp Gagetown, including one of the province's largest inland marshes is worrisome.

Citizens groups from my province say Premier McKenna's preference seems to fly in the face of a federal government policy calling for no net loss of water habitat for wildlife. Even if this is not of concern to the transport minister, it should of interest to federal ministers of the environment and defence.

The preferable route would twin Saint John, Fredericton, Moncton and St. Stephen and can be built for $220 million. It could be done by upgrading the existing highways linking these four centres. This option will make the three largest cities in the province of New Brunswick equal and will pose no threat to the environment whatsoever.

• (1840)

I ask the minister once again to reassure the House that the government will not contribute one federal dollar to a trans–Canada highway project that is not only exorbitant in cost but may also be harmful to the environment. How could any member of this government agree to spend $1 billion when in fact it can achieve its objective by spending $220 million?

Mr. Joe Fontana (Parliamentary Secretary to Minister of Transport, Lib.): Madam Speaker, I thank the hon. member for her question this evening.

Highways in Canada, except for those on federal property, are the responsibility of the provincial government. The member knows that. It is a simple fact but true.

I do not think there is anyone in Canada who is more knowledgeable or concerned about highways than Premier McKenna of New Brunswick and his transportation minister, the Hon. Seldon Lee. Therefore, quite simply, the appropriate place to raise questions about the routing of a highway within the province of New Brunswick is in the New Brunswick legislature, not the federal House of Commons.

Premier McKenna is doing the best job he can and we of course will do everything we can within our jurisdiction to assist him in his most laudable goals.

As for the choosing of the route, as I understand it, the province hired a consultant to review the options to improve the trans-Canada highway in New Brunswick. I should point out the study did not involve the federal government whatsoever. The province is working toward a four lane highway from the New Brunswick–U.S.A. border at St. Stephen through Saint John to the Nova Scotia border. That is its right, its duty and its jurisdiction.

[*Translation*]

MANPOWER TRAINING

Mrs. Francine Lalonde (Mercier, BQ): Madam Speaker, yesterday, February 14, I put a question to the Prime Minister. I reminded him that the tenors of the federal government keep on repeating, hoping to convince Quebecers, that we do not need to reform the constitution, since federalism is flexible and in constant flux.

Then, I said to the Prime Minister something like: "If you want to be taken seriously, why do you refuse to recognize Quebec 's jurisdiction, requested time and time again, in the area of manpower training". There is a consensus among all Quebec parties in this regard. A consensus to which even the president of the Conseil du patronat, a well known federalist, subscribes.

Not only Quebecers share that opinion. The president of the Canadian manufacturers' association said recently: "Why is it that the federal government does not let the provinces exercise this responsibility?" There are powerful economic arguments in favour of it. Manpower training has to be geared to the job market.

The Prime Minister, instead of answering my question, said—and I can repeat it, since it is on the public record—"I know very well that she would remain a separatist even if we resolved the workforce issue." Of course.

However, what I find disturbing—and I cannot help but say it here—is that the Prime Minister is basically saying that he could not care less about what happens to young people, women and all those who need this efficient manpower training, because it is managed by the manpower agency we, in Quebec, have set up and which is not a government body. It is made up of representatives from the private sector, labour unions, municipalities, and of course, a few representatives from the Quebec government. It is an institution which should be recognized, if only the federal government cared about all those Quebecers who need manpower training.

The fact is that even if the federal government agreed to it, I would still be a sovereignist. But I will tell you one thing, it is because there have been so many situations like this one that many people like me know now that there is only one option for Quebecers, and that is sovereignty.

[*English*]

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister, Lib.): Madam Speaker, I will address myself directly to the question and not debate whether the member is or is not going to remain a federalist.

Let me reassure the hon. member that the situation of young people in Canada is an issue that concerns us all. Contrary to the member's claims in her previous questions, there is no conclusive data demonstrating that unemployment insurance changes contained in the 1994 budget have had an impact on provincial social assistance caseloads.

What the hon. member ignores is that new unemployment insurance claims and the number of UI claims exhausted have both been decreasing since the government came into power. What is more, strong employment growth and job creation in 1994 have been the most significant factors contributing to these decreases, bringing new UI claims down by 10 per cent.

The latest labour market data also offer hope. In January 1995 the unemployment rate for 15 to 24–year old Canadian workers decreased by 3.4 percentage points over the January 1994 rate. Employment is up by over 114,000 in Quebec alone since the government came into power, including 16,000 new jobs in January 1995.

In response to my hon. colleague's concerns about the UI fund, she should remember that UI pays for itself through the premiums of employers and workers and that there is still a debt of $3.7 billion in the account accumulated over the past recession.

As employment continues to grow in the coming year, that debt may well be repaid, providing more room to reduce premiums while still giving unemployed people the assistance they need to get back to work.

I hope this answer is one the member can agree with.

The Acting Speaker (Mrs. Maheu): Pursuant to Standing Order 38(5), the motion to adjourn the House is now deemed to have been adopted.

Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.48 p.m.)

HOUSE OF COMMONS

Thursday, February 16, 1995

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

• (1005)

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT, 1995

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.) moved for leave to introduce Bill C–69, an act to provide for the establishment of electoral boundaries commissions and the readjustment of electoral boundaries.

He said: Madam Speaker, on a point of order, I wish to inform the House that the bill just introduced is in response to the order of the House, pursuant to Standing Order 68(6), made last Tuesday.

Consequently, further proceedings will be subject to the provisions of Standing Order 68(7)(a), which includes a requirement that consideration of second reading be postponed until no earlier than the third sitting day after today.

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

* * *

[*Translation*]

CANADA HEALTH ACT

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.) moved for leave to introduce Bill C–302, an act to amend the Canada Health Act (nutrition services).

He said: Madam Speaker, I have the honour to introduce today in this House a bill to amend the Canada Health Act with regard to nutrition services.

This bill includes the expression "nutrition services" in the definition of health services provided under the existing Canada Health Act. We all know that nutrition is an essential component of health and that Canadian dieticians are the only health professionals duly trained and authorized to evaluate a person's nutritional status.

Furthermore, the Canadian government recognizes dieticians as key resources in developing health policies such as Canada's Food Guide, which sets guidelines for good health. I therefore feel that it is important, as much for the general public as for the order of dieticians, that they be formally recognized and included in the Canada Health Act.

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

* * *

[*English*]

CRIMINAL CODE

Mr. Ian McClelland (Edmonton Southwest, Ref.) moved for leave to introduce Bill C–303, an act to amend the Criminal Code (dangerous intoxication).

He said: Madam Speaker, it is a pleasure to introduce this bill. I know other members in the House were working on similar bills. The motivation behind the bill is to remove the ability of persons to hold themselves harmless from responsibility for self–induced intoxication.

As members know, recently the Supreme Court held that persons could be held harmless from the result of their own actions because of self–induced intoxication. This goes against the grain of all thinking Canadians and common sense.

This bill, which I would ask all members in the House to support, would create a separate offence. The offence of being criminally intoxicated would ensure that Canadians are held personally responsible for the results of their actions. They cannot hide behind the charter of rights and freedoms to escape responsibility for what they have done. This would prevent violence to others who are innocent.

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

• (1010)

BUSINESS OF THE HOUSE

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I think you will find unanimous consent for a couple of motions. I move:

That notwithstanding any standing or special order of this House, when the House adjourns on Wednesday, February 22, 1995, it shall stand adjourned until 10 a.m. on Friday February 24, 1995;

That the address of the President of the United States of America, to be delivered in the House Chamber on Thursday, February 23, 1995 before members of the Senate and members of the House of Commons, together with all introductory and related remarks, be printed as an appendix to the House of Commons *Debates* of Friday, February 24, 1995 and form part of the records of this House; and

That media recording and transmission of such address, introductory and related remarks be authorized pursuant to established guidelines for such occasions.

(Motion agreed to.)

* * *

[*Translation*]

COMMITTEES OF THE HOUSE

ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.) moved:

That two Library of Parliament research officers assigned to the Standing Committee on Environment and Sustainable Development be allowed to travel to Toronto on February 19 and 20 in order to attend a conference of the Canadian Council of Ministers of the Environment.

(Motion agreed to.)

* * *

[*English*]

PETITIONS

GUN CONTROL

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Madam Speaker, it gives me pleasure to present a petition today from men and women in southern Ontario.

The petitioners would like to draw the attention of the House to the fact that public safety is the number one priority of the criminal justice system. The existing controls on law–abiding, responsible firearm owners are more than enough to ensure public safety and that the current and proposed laws criminalizing certain firearm activities when the danger to the public safety and criminal intent is either virtually non–existent or totally absent.

The target for all gun control laws in the Criminal Code of Canada must be the criminals who are either a danger to the safety of the public or those who have criminal intent, not law–abiding, responsible firearm owners. No amount of gun control has ever succeeded in preventing criminals from acquiring guns by illegal means. What our criminal justice system must ensure is that criminals who steal, import, sell and possess guns and/or use guns in the commission of a crime will be severely punished.

Therefore, the petitioners pray and request Parliament to support laws that will severely punish all violent criminals who use weapons in the commission of a crime; second, support new Criminal Code firearms control provisions which recognize and protect the right of law–abiding citizens to own and use recreational firearms, and last, support legislation which repeals and modifies existing controls—

The Acting Speaker (Mrs. Maheu): May I remind hon. members that it is normal to read the prayer only and not to enter into a form of debate when presenting petitions.

[*Translation*]

VIOLENCE

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Madam Speaker, this petition is about abuse and violence in society.

[*English*]

The petitioners believe that unnecessary violence and abuse in society in all of its forms, on radio and television, have become a major concern of the Canadian population.

• (1015)

They want the government to ensure that the CRTC is able to regulate it and reduce it and if possible remove it, I suspect. They point out that it is not necessary to educate and it goes counter to families trying to raise their children.

GUN CONTROL

Mr. Cliff Breitkreuz (Yellowhead, Ref.): Madam Speaker, pursuant to Standing Order 36, I am pleased to present three petitions on the whole business of firearms legislation. Two petitions are from towns in Yellowhead and one is from Ontario.

Among other things the petitioners request that Parliament support laws which will severely punish all violent criminals who use weapons in the commission of a crime. I concur with that request.

TWO DOLLAR COIN

Mr. Jim Jordan (Leeds—Grenville, Lib.): Madam Speaker I have petition with 1,826 signatures. It is a rather interesting petition. It was the inspiration of a Mrs. Ruby Stone who lives in my riding.

She is petitioning the government as all these people are against the introduction of a $2 coin. Some of us may not be aware that there is a study going on in this country to introduce a $2 coin. Sometimes these things are slipped in. I know this government would not likely do that.

I think we should introduce more $2 bills because if you use a $5 bill you usually get four coins back. People are getting tired carrying them around. I support these petitioners.

HUMAN RIGHTS

Mr. John O'Reilly (Victoria—Haliburton, Lib.): Madam Speaker, pursuant to Standing Order 36 it is with pleasure that I rise today to present a petition containing signatures from people in Beaverton, Fenelon Falls, Woodville and Cannington in the riding of Victoria—Haliburton.

This petition calls on Parliament to oppose any amendments to the Canadian Human Rights Act or the Canadian Charter of Rights and Freedoms which provide for the inclusion of the phrase sexual orientation.

GUN CONTROL

Mr. John Duncan (North Island—Powell River, Ref.): Madam Speaker, I rise to present a petition on behalf of 78 of my constituents from Gold River and Campbell River, British Columbia, who call upon this Parliament to reject any further firearms control legislation, regulations or orders in council and rather focus on the misuse of firearms by violent criminals.

I support the petition.

HUMAN RIGHTS

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Madam Speaker, I present a petition today from some 25 lower mainlanders, some of whom are constituents of mine from New Westminster—Burnaby, British Columbia.

The petitioners fear that inclusion of sexual orientation in the Canadian Human Rights Act will infringe on the historic rights of Canadians such as the freedoms of religion, conscience, expression and association. Therefore, they call upon Parliament to oppose any amendments to the Canadian Human Rights Act or the Canadian Charter of Rights and Freedoms which provide for the inclusion of the phrase sexual orientation.

Mr. Tony Ianno (Trinity—Spadina, Lib.): Madam Speaker, I rise today to present several petitions. Several members of my constituency of Trinity—Spadina call upon the Government of Canada to amend the Canadian Human Rights Act so as to give statutory recognition of homosexual relationships and to enshrine their equality before the law with that of heterosexual relationships.

On behalf of my constituents, I humbly submit these petitions.

CHILD CARE

Mr. Tony Ianno (Trinity—Spadina, Lib.): Madam Speaker, I also rise today for members of my constituency of Trinity—Spadina who call on the government to enact legislation of a national policy on child care that is unifying and provides non–discretionary, equitable and sufficient service to all residents of Canada.

On behalf of my constituents, I humbly submit this petition.

HUMAN RIGHTS

Mr. Ed Harper (Simcoe Centre, Ref.): Madam Speaker, I have four petitions to present on behalf of the constituents of Simcoe Centre today. The first group of petitioners request that the Government of Canada not amend the human rights act to include the phrase sexual orientation. The petitioners fear that such an inclusion could lead to homosexuals receiving the same benefits and societal privileges as married people.

MARRIAGE

Mr. Ed Harper (Simcoe Centre, Ref.): Madam Speaker, the second petition concerns the subject of the family. The petitioners request that Parliament oppose any legislation that would directly or indirectly redefine the family, including the provision of marriage and family benefits to those who are not related by ties of blood, marriage or adoption, where marriage is defined as a legal union between a man and a woman.

EUTHANASIA

Mr. Ed Harper (Simcoe Centre, Ref.): Madam Speaker, the third petition is on the issue of euthanasia.

• (1020)

The petitioners request that current laws regarding active euthanasia be enforced and that Parliament not sanction or allow the aiding or abetting of suicide or euthanasia.

CRIMINAL CODE

Mr. Ed Harper (Simcoe Centre, Ref.): Madam Speaker, the final petition today is of the subject of section 745 of the Criminal Code. The petitioners request that Parliament repeal this section so that those convicted of first degree murder will have to serve their full 25–year sentence behind bars.

ASSISTED SUICIDE

Mr. John Bryden (Hamilton—Wentworth, Lib.): Madam Speaker, I rise to present three petitions today. The first is to ensure that the present provisions of the Criminal Code prohibiting assisted suicide be enforced vigorously and that Parliament

make no changes in the law that would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

HUMAN RIGHTS

Mr. John Bryden (Hamilton—Wentworth, Lib.): Madam Speaker, the second petition from the constituents of Hamilton—Wentworth calls upon Parliament to put an end to the discriminatory treatment of gay and lesbian citizens and their familial relationships by amending federal legislation that currently allows unequal treatment, including an amendment to the Canadian Human Rights Act to prohibit discrimination based on sexual orientation.

Madam Speaker, the third petition calls for Parliament to not amend the human rights code, the Canadian Human Rights Act or the charter of rights and freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

MINING

Mr. Nelson Riis (Kamloops, NDP): Madam Speaker, I have the honour to present a petition on behalf of the citizens of the great communities of Logan Lake, Kamloops, Ashcroft, Cache Creek, Merritt and Savona. There are hundreds of names on this petition.

The people point out that Canada's mining industry is a mainstay of employment in over 150 communities across Canada, an important contributor to Canada's gross domestic product in total exports and a cornerstone of our economic future. They point out that the industry has proposed a 10 point plan of action which would enhance the mining industry of Canada.

They are calling upon Parliament to take any action that will increase employment in this sector, promote exploration, rebuild Canada's mineral reserves, sustain mining communities and essentially keep mining in Canada.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, the following questions will be answered today: Nos. 46 and 128.

[*Text*]

Question No. 46—**Mr. Chatters:**

With respect to government funding of Indian bands, tribal councils and aboriginal/Metis organizations, (*a*) how many are in a deficit situation, (*b*) for each of them, what is the amount (i) received in the last fiscal year, (ii) of their current deficit, (iii) they will receive for the current fiscal year?

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): I am informed by the Departments of Indian Affairs and Northern Development and Canadian Heritage as follows:

In so far as the Department of Indian Affairs and Northern Development, DIAND, is concerned:

(a) For the year ended March 31, 1993, 159 Indian bands, tribal councils and aboriginal organizations are in a deficit position.1–2

(b) With respect to the names and deficit situation of Indian bands, tribal councils and aboriginal organizations, this information is confidential third party financial information under section 20(1)(b) of the Access to Information Act and cannot be released.

1 DIAND does not fund Metis organizations. Please refer to the answer by Canadian Heritage.

2 DIAND determines a recipient's deficit position by applying an indicator of whether the recipient's cumulative deficit is greater than 8 per cent of its total revenues, one month's cashflow. Statistics are collected on this basis.

In so far as the Department of Canadian Heritage is concerned:

(a) Based on the 1992–93 audited financial statements available—48 per cent were available—27 organizations were in a deficit situation.

(b) With respect to the name and deficit situation of these organizations, this information is confidential third party financial information under section 20(1)(b) of the Access to Information Act and cannot be released.

Question No. 128—**Mr. Simmons:**

What action will be taken on the recommendation made by the Auditor General in his 1994 annual report that the "Ice Services Branch must ensure that its contingency plans can be put into effect quickly and successfully" in the event of systems malfunction or communications failure so as to avert any possible "rerouting or disruption of ship traffic in and out of Canadian ports or, at worst, loss of life and property?"

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Data collection buoys are stationed so that in the event of an emergency they can back each other up. These buoys are equipped with information transmission devices which ensure transmittal of all necessary information. The buoys and equipment have been designed and are situated so that, short of several stations failing at once, the ice services program will be maintained.

A complete failure of all the ice program systems at once is highly unlikely. In the event of a major catastrophe, we have an agreement with the U.S. National Ice Centre to provide essential ice information to our clients until our normal operations can be resumed. We can do the same for the U.S. We developed this backup plan over the past year and it will be tested shortly.

Once these tests have been completed, a comprehensive backup plan will be published in order that Canadians will know exactly how ice information is being provided.

[*English*]

The Acting Speaker (Mrs. Maheu): The questions as enumerated by the parliamentary secretary have been answered.

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

The Acting Speaker (Mrs. Maheu): Shall the remaining question stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

WAYS AND MEANS

INCOME TAX ACT

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.) moved that a ways and means motion to amend the Income Tax Act, the Income Tax Application Rules and related acts, laid upon the table Tuesday, February 14, 1995, be concurred in.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

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

(Division No. 162)

YEAS

Members

Alcock
Anderson
Augustine
Axworthy (Winnipeg South Centre)
Baker
Bakopanos
Barnes
Beaumier
Bethel
Bodnar
Bonin
Boudria
Brown (Oakville—Milton)
Bryden
Bélair
Caccia
Calder
Campbell
Catterall
Chamberlain
Chan
Chrétien (Saint-Maurice)
Clancy
Cohen
Collins
Copps
Cowling
Crawford
Culbert
DeVillers
Dhaliwal
Dingwall
Discepola
Duhamel
Easter
Eggleton
English
Fewchuk
Finestone
Finlay
Flis
Fontana
Fry
Gagliano
Gallaway
Gerrard
Godfrey
Goodale
Graham
Gray (Windsor West)
Grose
Guarnieri
Harb
Harvard
Hickey
Hubbard
Ianno
Irwin
Jackson
Jordan
Keyes
Kirkby
Knutson
Kraft Sloan
Lastewka
Lavigne (Verdun—Saint-Paul)
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Lee
Lincoln
Loney
MacAulay
MacDonald
MacLaren
MacLellan (Cape/Cap-Breton—The Sydneys)
Malhi
Maloney
Manley
McCormick
McGuire
McKinnon
McLellan (Edmonton Northwest)
McTeague
McWhinney
Mifflin
Milliken
Mitchell
Murphy
Murray
O'Brien
O'Reilly
Ouellet
Pagtakhan
Parrish
Patry
Payne
Peric
Peters
Peterson
Pickard (Essex—Kent)
Proud
Reed
Regan
Richardson
Rideout
Ringuette-Maltais
Robichaud
Rompkey
Scott (Fredericton—York—Sunbury)
Serré
Shepherd
Sheridan
Simmons
Skoke
St. Denis
Steckle
Stewart (Brant)
Szabo
Telegdi
Terrana
Thalheimer
Torsney
Ur
Vanclief
Volpe
Walker
Wappel
Wells
Whelan
Young
Zed—130

NAYS

Members

Abbott
Ablonczy
Althouse
Asselin
Bachand
Bellehumeur
Benoit
Bergeron
Breitkreuz (Yellowhead)
Breitkreuz (Yorkton—Melville)
Bridgman
Bélisle
Caron
Cummins
Dalphond-Guiral
de Jong
de Savoye
Deshaies
Duceppe
Duncan
Epp
Forseth
Frazer
Gagnon (Québec)
Gauthier (Roberval)
Godin
Gouk
Grubel
Guay
Hanger
Hanrahan
Harper (Calgary West)

Harper (Simcoe Centre)	Hayes
Hill (Macleod)	Hill (Prince George—Peace River)
Hoeppner	Jacob
Jennings	Johnston
Lalonde	Langlois
Laurin	Lebel
Leblanc (Longueuil)	Leroux (Richmond—Wolfe)
Leroux (Shefford)	Marchand
Martin (Esquimalt—Juan de Fuca)	Mayfield
McClelland (Edmonton Southwest)	McLaughlin
Meredith	Mills (Red Deer)
Morrison	Nunez
Paré	Penson
Picard (Drummond)	Plamondon
Pomerleau	Riis
Ringma	Sauvageau
Solberg	Speaker
Stinson	Strahl
Taylor	Thompson
Tremblay (Rosemont)	Venne
White (Fraser Valley West)	Williams—74

PAIRED MEMBERS

Members

Assadourian	Bernier (Gaspé)
Bernier (Mégantic—Compton—Stanstead)	Bertrand
Bouchard	Brien
Brushett	Canuel
Chrétien (Frontenac)	Crête
Gaffney	Gagnon (Bonaventure—Îles-de-la-Madeleine)
Hopkins	Valeri

• (1105)

[*Translation*]

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

[*English*]

Hon. Douglas Peters (for the Minister of Finance) moved that Bill C–70, an act to amend the Income Tax Act, the Income Tax Application Rules and related acts be read the first time and printed.

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

* * *

• (1110)

PICTOU LANDING INDIAN BAND AGREEMENT ACT

The House proceeded to the consideration of Bill C–60, an act respecting an agreement between Her Majesty in right of Canada and the Pictou Landing Indian Band, as reported (without amendment) from the committee.

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.) moved that the bill be concurred in.

(Motion agreed to.)

The Acting Speaker (Mrs. Maheu): When shall the bill be read a third time? By leave, now?

Some hon. members: Agreed.

Mr. Irwin moved that the bill be read the third time and passed.

Ms. Roseanne Skoke (Central Nova, Lib.): Madam Speaker, I rise to address the House on third and final reading of Bill C–60, the Pictou Landing Indian Band Agreement Act.

As the member of Parliament for Central Nova, on behalf of the Pictou Landing Micmac First Nations people in my riding, I thank hon. members for their support of this bill at second reading and in committee. I am certain that the more than 400 Pictou Landing Micmacs appreciate your support in helping to bring much awaited certainty to their lives.

This may appear to be a minor piece of legislation but it is very important to the First Nation concerned. Therefore it deserves quick passage through Parliament.

Bill C–60 is important for three reasons. First, the bill will ensure that claims by members of the First Nations related to the effluent treatment system at Boat Harbour are to be directed to a fund established for that purpose under the agreement. As a result it will protect both the Government of Canada and the Pictou Landing Micmac from further claims.

Second, Bill C–60 will ensure that the Pictou Landing Micmac are responsible for managing the settlement money that has been and will be paid out by the federal government.

Third, Bill C–60 will confirm that the Government of Canada intends to live up to its commitment to aboriginal people, including commitments made by previous governments.

Hon. members from all sides should recognize that the settlement agreement with the Pictou Landing Micmac is already well on its way to full and complete implementation. We are not being asked today to approve new arrangements, to make new commitments, or to break new ground. We are being asked to live up to outstanding commitments that have been made by the Government of Canada to the Pictou Landing Micmac of Nova Scotia. Living up to that commitment is very important, so important is it that this government put it in writing in an agreement.

In our red book we mapped out our intention to build new partnerships with aboriginal people. Today we are being asked to live up to that pledge, not just for the Pictou Landing Micmac but for all aboriginal people. Specifically, this bill asks us to take appropriate action to protect both the Government of Canada and the First Nation from further claims related to the Boat Harbour effluent treatment system.

Madam Speaker, let me tell you a little more about Boat Harbour back when. Imagine a picture with rolling hills dipping to the ocean, sandy beaches, boats drifting by with multitudes of fish in the ocean and majestic black cormorants nesting in

Pictou Harbour. I hope this image will bring you and my hon. colleagues closer to Pictou Landing and closer to the understanding of the importance of this bill, because in spite of this picture just painted this is not the Boat Harbour that exists today.

• (1115)

For more than two decades treated effluent from Scott Pulp and Paper Mill at Abercrombie Point has been released into Boat Harbour, less than half a kilometre from the Pictou Landing Micmac community. This has had a serious and negative impact on the environment and on the quality of life on the reserve and in the surrounding communities in Pictou County.

Now Boat Harbour is an industrial effluent treatment facility operated by the province of Nova Scotia. It serves the nearby Scott Maritimes Limited kraft paper mill. Boat Harbour is adjacent to Pictou Harbour, about 150 kilometres northeast of Halifax.

The Boat Harbour holding pond was created by blocking the entrance of a former tidal estuary to the Northumberland Strait. Boat Harbour is currently surrounded by provincial crown land and the reserve lands of the Pictou Landing Micmac.

It bears repeating the First Nation was not happy about this effluent treatment system when first approached in 1966. It agreed only after intense lobbying by Nova Scotia.

The damming of Boat Harbour permanently raised the level of the harbour and flooded approximately 12 hectares of reserve land. The harbour became devoid of oxygen almost immediately after the treatment facility commenced operation.

Over the ensuing 12 years the First Nation made a number of representations to the Government of Nova Scotia seeking compensation for damage to its land and for the flooding.

Although the province made improvements to the treatment facility, it ended negotiations with the First Nation in 1982 by refusing to recognize its claim. The Pictou Landing Micmac then entered the federal government's specific claims process. In 1986 the First Nation filed suit against the federal government alleging breach of fiduciary duty.

Boat Harbour has been lost as a source of food for the Micmac. For the past 25 years this First Nation has also had to forego hunting, wildlife harvesting and other benefits on some 12 hectares of flooded reserve land.

As a result of the federal government's fiduciary responsibility to the First Nation people the government reached an out of court settlement with the First Nation that has avoided a potentially lengthy and costly legal battle. Now it rests with this hon. House to bring this chapter in the government's relations with the Pictou Landing Micmac to a close. There should be no hesitation to do so by the hon. House.

As my hon. colleague the Parliamentary Secretary to the Minister of Indian Affairs and Northern Development pointed out at second reading, Bill C–60 is very straightforward.

The settlement agreement ratified by community members in a 141 to 25 vote in the summer of 1993 is a $35 million settlement which includes a $20 million compensation package; $8 million was earmarked to be distributed among the members of the First Nation for individual compensation. Much of this money has already been paid out; $9.725 million was placed in a continuing compensation fund to address special claims by members of the First Nation related to the Boat Harbour environmental problem; $2.275 million was allocated to support projects that would benefit the First Nation, including the building of a multi–purpose recreational centre and the establishment of a Pictou Landing economic development promotional package. This money is intended to compensate the members of the First Nation for general impact associated with the Boat Harbour facility.

The remaining $15 million in the settlement has been directed into a community development trust fund that will enable members of the First Nation to relocate if necessary. This fund is being administered by the First Nation and will ensure that the First Nation and its members will be able to protect themselves from any future health effects from Boat Harbour.

This bill accomplishes two basic objectives, both of which are in the interests of the First Nation, the federal government and the Canadian taxpayer. The first objective is to ensure that the $35 million settlement fund that has been agreed upon will be the full amount for which the Government of Canada will be liable related to the Boat Harbour effluent treatment system.

• (1120)

As the House has been previously informed, about 80 per cent of the settlement funds have already been transferred to the First Nation. In turn, the First Nation has paid out most of the $8 million earmarked for individual compensation to eligible members.

Any claims over and above this amount will be addressed through the $9.725 million continuing compensation fund. The Pictou Landing Micmac have also been using the $2.75 million allocated to the band compensation and development account to support projects that will benefit the entire community such as the building of a multi–purpose centre and the establishment of a Pictou Landing economic development promotional package.

These two initiatives and others pursued by the Pictou Landing Micmac will be of great benefit not only to the First Nation but to other residents of Pictou County.

Bill C–60 provides that any claims by the members of the First Nation that are not already settled by acceptance of the payments to individuals be directed to the continuing compensation fund. It will ensure that both the Government of Canada and the First Nation are protected from any such claims.

The second objective to be achieved by Bill C–60 is to stipulate that the moneys paid to the Pictou Landing Micmac under the final agreement will not be considered Indian moneys as defined by the Indian Act.

This benefits the federal government because it releases the Department of Indian Affairs and Northern Development from any responsibility for managing these moneys. In these times of fiscal restraint the department should avoid taking on administrative functions that can and should be performed by First Nations.

This provision of Bill C–60 benefits the First Nation because it will ensure that the Pictou Landing Micmac have complete control over their compensation dollars. This would not be possible if the moneys were considered Indian moneys as defined pursuant to the Indian Act.

This is one of the most important provisions of this bill. I have said this government is committed to fulfilling its obligations to aboriginal people. Beyond just fulfilling commitments, we want to build a new partnership, a partnership based on trust, mutual respect and participation in the decision making process.

This provision of Bill C–60 is a step toward making this goal a reality. Management of their own funds affords First Nations opportunities to chart their own course for economic development.

I am confident that my constituents, the Pictou Landing Micmac, like many First Nations across the country will prosper. The government recognizes that the untapped potential of aboriginal people is untapped for Canada. In a small way the development opportunities afforded by the provision of Bill C–60 open the door to potential.

The projects already borne from this settlement like the Pictou Landing economic development promotional package are just the beginning, a beginning not only for the First Nation but for other communities in Pictou County and in Nova Scotia as a whole.

Implementation of the Boat Harbour agreement has been proceeding well with no significant problems encountered by either party to the agreement. Nevertheless, the settlement agreement does require Canada to explore ways that might yield a solution to the environmental problem that now exists at Boat Harbour.

Toward this end several federal departments are facilitating and working with the Pictou Landing Micmac and other concerned parties to achieve the rehabilitation of Boat Harbour.

I want to advise hon. members in this House that the federal government is committed to ensuring that the clean–up of Boat Harbour meets Canada's high environmental standards. This proposed legislation will have no impact on this process.

As a party to the final agreement, the Pictou Landing Micmac have clearly indicated that they want and expect this legislation to be enacted.

• (1125)

To ensure that Bill C–60 meets with this understanding in the settlement agreement the First Nation was consulted during the drafting of the legislation. Members of the First Nation are now awaiting Parliament's decision. In making that decision I would ask my hon. colleagues to keep the crown's honour in mind.

I would ask them to remember that this legislation is the product of a clear and genuine commitment which was made at the request of the Pictou Landing Micmac more than a year ago. I would remind them that the government's word was accepted by the First Nation in good faith despite the problems it has endured over the past 25 years.

It is time to put the unfinished business behind us so that the First Nations and the federal government's energy can be devoted to building for the future rather than rectifying past mistakes. We can and must do so by giving our unanimous support to Bill C–60.

Therefore, as the member of Parliament for Central Nova I ask on behalf of my constituents, the Micmac First Nations people, for unanimous support from this honourable House for Bill C–60.

[*Translation*]

Mr. Claude Bachand (Saint–Jean, BQ): Madam Speaker, let me tell you right away that the Bloc Quebecois will be supporting this bill. As usual, I will try and explain the Micmac reality. I think it is important to give a little background because the Micmac Nation has always been recognized as a fishing nation living for the most part by rivers, lagoons or the sea.

Many people wonder about the meaning of the word "Micmac". In fact, there are two: "a nation and its language", and "my family and friends". When I travelled just recently to the Restigouche reserve, which by the way is called Listuguj, Whatever meaning you give to the word Micmac, what I saw and experienced on the reserve of which Chief Miller is the worthy representative confirms that both meanings perfectly describe the reality as I experienced it on this reserve.

I saw people bound by very strong ties of friendship. Families form a very tightly knit fabric. Micmacs are also very proud of their language. In fact, they make a point of promoting the Micmac language in schools. Micmacs have traditionally been very close to their roots and accorded great importance to their culture.

Historically, what set Micmac villages apart from others was the fact that lodgings often housed one or more families and were located by the water. The significance of this bill's impact comes from the fact that the Pictou Landing reserve was located by the water, which is essential. Naturally, all that has happened over the course of the last three decades has had a direct impact on Micmacs' lifestyle. I felt that this needed to be pointed out.

The Micmac Nation is a nation who was much affected by the arrival of Europeans. A population decline ensued. In the early days of the colony, there were about 50,000 Micmacs, as compared to a mere 10,000 registered Micmacs today. Some kind of socio–cultural conflict arose also because, for the Micmac Nation as for other aboriginal nations, exposure to the European culture did not always prove beneficial.

Socio–cultural shocks have led this nation, and others, into dire poverty. Even during British rule, efforts were made to turn Micmacs into farmers but, given their traditional way of life, these efforts failed of course. Integration attempts continued, with Micmacs being sent out to work on the railway and in logging. Finally, you realize that these people were really sincere in the importance they accorded to their culture, a culture that has not only lived on to this day but is still highly valued, while all integration attempts have failed.

• (1130)

Therefore, I felt it was important to present this short scenario, because the bill relates to a Micmac nation, the Pictou Landing community, which has always lived close to water. This bill deals with a specific body of water, the Boat Harbour.

The problem started when the Scott Maritimes Limited Pulp and Paper Mills settled at Abercrombie Point. As we know, pulp and paper companies tend to pollute the environment. As well, the protection of the environment was not seen as vital then as it is now. The priority was to create jobs in an area largely covered with forests. In fact, that is where the bulk of wood harvesting took place.

However, in 1965, the provincial government decided to build a waste treatment plant after realizing that the company was polluting the water. It was thought to be a good idea to set up a treatment plant to try to solve the problem. I say "to try to solve" because, as I will show in the next few minutes, that attempt unfortunately failed, with the result that lots of contaminants ended up in the water.

That plant, which was built to treat the water coming from the pulp and paper mill, created a body of water covering several acres, in the vicinity of the reserve, and even on reserve land. From the very beginning, there was a lack of movement on the government's part regarding the cleaning up of this environmental catastrophe. This is deplorable. For two decades, from 1965 to 1985, the Micmac tried to come to an amicable settlement with the federal government, which is responsible for native issues, and also with the Province of Nova Scotia, which has jurisdiction over the environment.

For almost 20 years, the Micmac tried to reach some agreement. Because nothing was being done, they finally decided, in 1986, to sue the government.

In this area, the environment has reached the critical stage in terms of its deterioration. According to some information, the level of pollution is such that it has been blamed for a number of deaths on the reserve.

Through an agreement in principle, the government proposed a financial out–of–court settlement to the Pictou Landing Indian band. That agreement in principle was reached in December 1992 and ratified in July 1993. It is a compensation agreement intended to settle out of court a suit brought by the Micmac in 1986.

The bill may look like a minor piece of legislation. There are only four clauses. Consequently, one might think that it does not deal with a complex issue. However, I know from experience that the number of clauses is no indication of how complex a piece of legislation can be. That bill may have only four clauses, but the last one refers to a specific agreement which, as I will show in a minute, is flawed in many ways. Although the bill does have some merits, as the hon. member pointed out. For instance, the money to be paid will not be money as provided under the Indian Act, which means that the community will be able to spend it as it sees fit.

This is probably one of the few positive factors I found in the bill. If we refer to the agreement as such, and there is a reference to the agreement in clause 4, we realize that it does not really deal with the environmental problem. And I am not so sure that we are doing the Pictou Landing First Nation a big favour.

Clause 4 of the bill, where we find the reference to section 13 of the agreement, mentions a compensation account. In the event of legal proceedings in the days and months to come, claims may only be made against this compensation account.

• (1135)

We in the Bloc Quebecois considered trying to help those who did not waive their rights, because, as I will explain later on, the people who use this compensation fund waive their right to sue the federal government, and in return, the government gives them $35 million, and I will give you a breakdown of this amount later on. In any case, at first we had some questions about section 13, because some people had not waived their rights.

What happens to those people? I will expand on this later on, but before I go any further, I would also like to thank my colleagues on the standing committee who agreed to adjourn so I

could investigate this particular point, since we were not entirely satisfied with the response we got from the bureaucracy.

That day, after meeting with officials from the Department of Indian Affairs, we were supposed to adopt the bill clause by clause, but because of my questions and the response from the officials, we agreed, many thanks to my colleagues, to adjourn for two days and—it never rains but it pours—I was given a draft amendment a few minutes before the committee started a special sitting to hear the Bloc Quebecois amendment, but unfortunately, the amendment suggested by our legal expert was not quite what we had in mind. As a result, I had to go before the committee empty–handed and apologize.

We then considered introducing an amendment at the report stage, and although I did not discuss this with my colleagues on the standing committee, in the end, we decided not to introduce an amendment, after receiving additional information from the officials and getting in touch with the community of Pictou Landing.

Initially, and I will provide some details later on, we were somewhat dubious in the case of individuals who did not waive their right, about their ability to bring legal proceedings against the company or Nova Scotia, and we could perhaps discuss this later on, but meanwhile, I would like to say a word of thanks to my colleagues, because they gave me a chance to get to the bottom of this matter and do a decent job in committee, in other words, to carefully examine each clause and then decide whether or not we wanted an amendment.

I touched on this earlier, and I would just like to say, very briefly, that this is money that will not be subject to the provisions of section 35 of the Indian Act. This means the Pictou Landing community will be able to use this money as it sees fit, without being restricted by the provisions of the Indian Act.

I would now like to comment on the agreement as such, and perhaps I should point out that only $17 million remains to be paid to the community, so the rest of the money has already been paid, and that being said, I may have quite a few things to say later on about the logic of having a bill before the House today when the process has already started and all the money or almost all has been paid, so that the government is saying: I just want you to agree and adopt this bill.

It seems to me that certain elements with respect to the process of negotiation with the band must be taken into account, the government's fiduciary responsibility, the Bloc Quebecois' responsibility as the official opposition and the responsibility of the opposition parties of the time, have been overlooked. The whole thing is now presented to us as a package. Now we are faced with an alternative, that is, do we vote in favour of the bill or not. Since 95 per cent of the people in the community voted in favour, our options are somewhat limited.

So, therefore, naturally, we will support the bill without amendment. We do, however, have a few things to say about the agreement, and I think we will use this debate to express them. I said earlier that the agreement was signed on July 20, 1993 and was ratified following a referendum. At the time, 95 per cent of the people said they were in favour of it. In a minute we will have a look at why they were in favour. I have my own personal idea on the matter. In democratic terms, however, we cannot criticize the agreement as such. Given the very high rate of participation—80 per cent—and the strong vote in favour—95 per cent—, we really cannot criticize the democratic aspect of the question.

● (1140)

Furthermore, according to the officials we asked, the remaining 5 per cent are people registered on the list of band members, but who do not live on the reservation. We were told they could live as far away as California. There were also a number of people with intellectual handicaps, who were unable to vote because they could not understand the scope of the agreement.

I will quickly go through the agreement, section by section, to highlight certain comments that, among other things, raise doubt about the seriousness of the government's intention to really resolve the legal action issue and also the basic environmental issue.

In section 2 of the agreement, Canada agrees to pay a $35 million settlement. This amount is intended to cover compensation and to fulfil the government's fiduciary duty. Three funds have been created: one for band compensation and development, one for community development and one for individual compensation and development. I do not wish to get into the breakdown of the $35 million, so suffice it to say that the three funds exist. I will repeat throughout my speech that, in our opinion, this is not enough to compensate for the current environmental damage and the wrong done to these people.

As I have said, since 1965, it is clear that the environment has been seriously harmed by the construction of the effluent treatment facility. Over the past 30 years, the government has been slow to put facilities in place. It has somewhat neglected its fiduciary duty towards first nations because they continually protested the way they were being treated, and neither the federal nor the Nova Scotia government made many firm commitments or took much real action to correct the situation.

We can also say that the negative effects have taken on catastrophic proportions at present. Earlier, I mentioned 162 hectares. Responsibility for resolving the issue and for taking legal action is now in the government's lap. We think that the government is not only hesitating now and will be hesitant in the future to enter into legal proceedings, but that it will also eventually take legal proceedings in the event that Boat Harbour is further developed. Therefore, we have reason to doubt wheth-

er the government really has the will to really resolve the main issue.

The true problem remains the same, even with this bill, because pollution has not disappeared. All that is proposed is that some aboriginals be relocated. We might also wonder what type of land aboriginal people will be able to afford with that $35 million. And we are told that moneys have already been earmarked for purchasing this land. But will these people be better off? Unfortunately, we do not have the answer. I see this merely as an attempt to relieve the federal government of its fiduciary duty to aboriginals and to get out of a tight spot. So we have to find out whether the move will solve the problem.

I also know that the governments of Canada and Nova Scotia are trying to assess the issue of environment versus employment. One cannot deny that Scott Paper creates a lot of jobs in Nova Scotia. We also know that this community suffers from a high rate of unemployment. So can we afford to say to this company, given the present situation, that standards will be set so high, that we will allow so many suits that, in the end, it will have to close its doors and lay off a lot of employees?

We are caught in this tension between the environment and employment. I understand that employment was easily given higher priority than the environment at the time. But, for several years now, there seems to have been increasing concern over the environment. So the debate or tension between the environment and employment remains unresolved. And for our part, we can see that the government has decided to give priority to employment over the environment.

• (1145)

I would like to move on to section 5 now. In this section, one begins to see the Canadian government's position in the matter. The agreement was reached in December 1992 and ratified in July 1993. Even before the agreement was signed, each band member had received $2,000. This, in itself, is a clear indication of the government's approach to the matter.

Even before an agreement had been reached, even before a bill had been introduced, the government had already started with its hand–outs. We have to realize also that the Micmac Indians on that reserve live in appalling conditions, as practically none of them have jobs. Their environment is heavily polluted and, after 30 years, they are sick and tired of negotiating or trying to negotiate with the government. They have to set money aside to set up a fund to pursue their case against the government. It is in such a context that they are presented with a nice cheque for $2,000 and told: This is a first instalment, you will get more, probably as much, but first of all you must relinquish your right to sue. You sign away that right and the federal government will give you $2,000.

We can see why these people would jump at this offer, it is a ray of hope, a chance to improve their situation. Not only were they given a cheque for $2,000, but individuals were promised an additional amount of $1,500 upon signing the agreement in principle. Except that the parliamentary process was conveniently forgotten. This was done without us, we were informed only when the bill was tabled and, today, we are asked to approve a bill implementing this agreement. I find this approach questionable.

This is an approach that we consider paternalistic. It is like saying: We have been negligent, but we are going to make up for it, we are going to give you some money and you forget about the whole thing. With this money you will be able to move elsewhere. We, as a government, are not going to restore the environment, but neither are we going to launch any lawsuit against you. People who sign and take the money must sign an undertaking not to sue the government of Canada or of Nova Scotia or the company. Everybody involved in that mess is getting off scotfree. They did not act responsibly and now people have to take the money because they are in dire straits.

This is a paternalistic approach. We find this kind of approach questionable, at best. In short, band members had already received money, $2,000 in December 1991, and $1,500 in December 1992, before the agreement was signed, and now the government confronts them with a fait accompli.

Before I became a parliamentarian I was, among others things, a negotiator for twenty years or so. This is a well known fact in negotiating circles: when one of the parties to the negotiations is in a very weakened position—negotiating being basically a power struggle—it is easy to promise things, give them systematically and then say to this party: Now, all you have to do is to sign this form and all your problems will be solved.

Everything was done very quickly, in a paternalistic manner, and the environmental issue has not been settled. The whole process is highly questionable.

The agreement provides for a period of prescription; that is to say that individuals have up to two years after the signing of the agreement to decide whether to give up their rights and be entitled to this famous compensation fund, or not to give them up. According to the interpretation given by officials, these individuals are going to be caught between a rock and a hard place, because it will be extremely difficult to challenge the legislation on account of section 13 which creates a further impediment, with respect to individual rights, for people wanting to appeal to the courts. As I said before, it is this particular point we find extremely questionable.

• (1150)

Thus, this prescription period will come into effect in July of this year. Then, not only will the people have not taken advantage of this find it difficult to start legal proceedings but they

will no longer have access to the compensation fund. They will be left with nothing at all.

Other sections as well are a little disturbing. The federal government is getting out from under any future fiduciary duties or obligations towards the community with regard to the risks associated with the facilities. It not only said that you are released of responsibilities, of prosecutions concerning the environment, but that, in the future, if the company decides to pollute even more, the government will assume these responsibilities and thus release individuals from them.

We see that the environment has been greatly deteriorating for almost 30 years and we recognize that this could continue in the future and that the federal government is released of all future responsibilities. I think that this is prejudicial enough to the environment to be mentioned.

Section 7 stipulates the responsibilities of the chief and his or her council with regard to the management of the money received. I agree that the $35 million received are not native moneys but one has to realize that the band and the chief must meet certain requirements. This money is not given unconditionally, to be spent however they wish.

In section 8, the government recognizes that Canada's current position is that it is not at all sure that Boat Harbour will be brought back to its natural condition, that is, the condition it was in before 1965. The government itself admits that it is not sure this can be done. But the government of Canada is committed to exploring possible ways of dealing with the environmental problem.

We have to take a good look at the words that are used. The government will explore possible ways of dealing with the problem. There are other words to which I would like to draw your attention. The government of Canada may undertake, at its sole discretion, reasonable action that it deems necessary. As a negotiator, I could not accept that such vague words as "at its sole discretion" and "reasonable action" be included in an agreement, especially since it is the government itself which must decide what constitutes reasonable action.

There are some flaws in the agreement and we feel that it is important for us to inform you of these flaws and to tell you that, unfortunately, it is a done deal and that this agreement must now be justified. We will not keep our mouths shut. We will denounce all these flaws. I hope the government will take my comments into account so that things are done differently in the future.

Section 9 deals with the creation of a committee on environmental issues composed of three members from the Micmac community and three members appointed by the government of Canada. It says further on that the number could increase with the agreement of both parties. What does that mean? It means that, eventually, the government of Nova Scotia could be represented on this committee and so could the main pulp and paper company, thereby diluting native participation. It is something to be cautious about. Fortunately, both parties concerned have to agree to this.

I have no advice to give. I think that people are mature enough, but personally, if I were on the aboriginal side, I would maintain my participation on the committee at 50 per cent and would not agree to the addition of other members, who would reduce my impact. Just a warning in passing, but a necessary one.

Section 12 provides that all members that have received moneys must automatically renounce completely any present or future claims. Thus, anyone accepting money, who has recourse to the compensation account, agrees not to take any action regarding past or future events. The danger is that the Scott Paper company will feel it is off the hook, that it will continue to pollute—I know that jobs are involved—but the difficulty, however, is that none of the compensation money has been set aside for the environment.

• (1155)

After all, this is a company that is providing employment, even if it hardly gets full marks for its environmental performance. In my view, this company does not even get a passing mark. So, in exchange for an amount of money, the members of the community must forever agree not to take any action against the federal government, Nova Scotia, or the company.

In fact, all rights to take legal action are transferred to the federal government, in the terms I mentioned earlier, at the discretion of the government, reasonable action, as decided by the federal government. One is left to wonder if the federal government is going to take its environmental responsibilities seriously, and I must admit that I have not yet ruled out the possibility of pointing out to my colleague from Laurentides, the environment critic, that there is a major environmental issue at stake here of which she should be aware. As I was saying, if the company decides to step up production, thereby increasing pollution, it is a great pity, but there is almost no conceivable way of stopping it at the present time.

As for section 13, I probably raised the question with officials and was told that my question was perhaps not clear the first time. After reading the committee blues once again, I realize that the question was clear enough and that the official probably changed his mind in the meantime. But section 13 only refers to the compensation account. Those who relinquished their rights have already dipped into the compensation account. Those who do not give up their rights by the July 1995 deadline I mentioned earlier can access the compensation account but, according to

lawyers, the department and, after checking with the band, the Indians themselves, no one can get around this account.

Therefore, band members who have decided not to give up their rights will be forced eventually to use the compensation account, with little or no recourse against the different levels of government or the company. The purpose of the compensation account is to settle past and future bills, but it will be the only money offered by the government.

The federal government must have thought: "I will pay $35 million to settle past and future debts, and that is how I will discharge my fiduciary responsibility toward the Pictou Landing Indians." In a nutshell, I think that is what the government attempted to do. No one, I think, could circumvent the provisions in this bill and say, "I will go further by launching a personal lawsuit for, say, $10 million". People will always be brought back to the compensation account, which is a major obstacle to taking individual legal action. If I were in the shoes of someone who did not give up his rights, I would see if I could sue under the constitution.

I know that this would be an additional obstacle, but I think that individuals can probably still sue. However, the clause I have just read to you will certainly be used by crown attorneys to bring people back to the compensation fund.

In conclusion, there are positive elements in the agreement. This money will be exempt from the Indian Act. However, this approach is highly questionable from a regulatory and parliamentary standpoint. On one hand, the federal government and the province of Nova Scotia have let the situation deteriorate for 30 years. The federal government has neglected its fiduciary role for 30 years. It takes action only when the damage is done and almost irreversible.

• (1200)

It entices the natives knowing full well that they are living in miserable conditions. It waves this $2,000 cheque at them and promises another $1,500 will be paid if the agreement is signed. It tells the band: "You will have a compensation account. You will have up to $35 million to relocate and start up new projects." Given their living conditions, this offer is so tempting that I can see why they jump at it. The approach is paternalistic. Any right to sue is taken away in a context where the scope is so broad and the words used so vague that nothing stops the government from doing absolutely nothing and letting the situation deteriorate if it so pleases. Finally, the government comes up with this bill when all is settled.

When I say that all is settled, I mean that the agreement was signed and money paid. The band already committed itself. It is all done. The only thing left to do is for us to put our seal of approval on the whole thing.

Regarding the settlement process and the parliamentary process, we express serious concerns. Sadly, we have been put in front of a fait accompli. We will go along with the referendum decision whereby a 95 per cent majority approved the agreement as is, but I would like to make a suggestion to the government. It would be interesting if any new claim settlement—and I am convinced there will be more, given the number of reserves in Canada—be subjected to a regulatory process and a slightly more democratic parliamentary process, so that we are not put in front of a fait accompli again. You just cannot come and tell us: "See, it is all settled; all you have to do is to pass the bill".

As I said, this bill looks quite innocuous with just four clauses, but it has impacts and effects on Pictou Landing. Let me wrap up. Based on the background I gave you earlier, we can assume that people who have probably lived by that this stretch of water now have to relocate on land that—I hope, with $35 million—will allow them to maintain their traditions and culture. These people depend on fishing for their livelihood and survival.

While deploring the regulatory and parliamentary process, the Bloc Quebecois will support the bill in consideration of the decision made by Pictou Landing and the aboriginal people who live there to approve the agreement as it stands.

[*English*]

Mr. John Duncan (North Island—Powell River, Ref.): Madam Speaker, I enjoyed listening to the member for Central Nova in whose riding is the Pictou Landing band. I also enjoyed the speech of the Bloc member for Saint-Jean. However, if it had not been for the opening and closing statements, I would not know which way he would be voting.

It is a pleasure to have an opportunity to say a few words at third reading of Bill C-60, the Pictou Landing Indian Band Agreement Act. The legislation has received due consideration at second reading and careful review in committee. I thank the departmental officials who have provided us with a cogent and detailed explanation.

While my party and I had some concerns, particularly over ratification of an agreement after payment of $28 million of the $35 million package has already been made, we support the intent of the legislation.

I will give a quick background. In 1966 the crown failed to provide or to obtain the band's informed consent to transfer to the province of Nova Scotia its riparian rights on the Boat Harbour tidal estuary. This transfer permitted the province to operate Boat Harbour as a facility to treat effluent from the kraft mill owned by Scott Industries Maritime Limited.

In July 1992 the government approved a mandate to negotiate an out of court settlement of the lawsuit. It was ratified by vote

on July 5, 1993. The final agreement was signed on July 20, 1993. That was under the previous administration.

• (1205)

The final agreement provides that the band gives Canada a release from responsibility and liability for past, present and future effects related to the Boat Harbour effluent treatment system in exchange for compensation to the Pictou Landing band. As I mentioned previously, the total compensation was $35 million of which the band received $28 million at the end of April 1994 and will receive the remainder in April 1995.

The one outstanding question in my mind is: What has taken so long to bring the bill forward? I have asked the question and I have yet to receive a satisfactory answer.

There are two critical issues addressed in the legislation. First it will ensure that all future claims by members of the First Nations in that area will be directed to an established fund that the bill provides. This means that no further claims can be made against the crown in this instance. This is critical to me and my party. We therefore are satisfied with that arrangement.

Second, Bill C–60 provides that the Pictou Landing Micmac band is responsible for managing and disseminating the settlement money provided, a total of $35 million, $20 million of which will go to pay out claims to the band and to individual members. The remainder, $15 million, shall be used to pay band members to relocate should it become necessary. Once the allotment has been used, the band has no further recourse against the crown for further financial compensation.

Having addressed the two operative principles of the bill, I want to add that it is my hope the $20 million will help deliver the band to self–sufficiency. We feel that every agreement the government signs should ultimately bring more self–sufficiency to the band.

The Reform Party supports the conclusion of outstanding claims. The Pictou claim is a consequence of the non–fulfilment by the government of an obligation arising from the improper administration of reserve lands by the department. This breach of fiduciary responsibility and duty has now been settled.

I am confident members of the Pictou band will manage this settlement responsibly and I wish them well.

The Acting Speaker (Mrs. Maheu): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mrs. Maheu): 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.)

• (1210)

FIREARMS ACT

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.) moved that Bill C–68, an act respecting firearms and other weapons, be read the second time and referred to a committee.

He said: Madam Speaker, may I say that I consider it a privilege to lead off debate at second reading on this important piece of legislation and to urge the House to adopt the legislation in principle before sending it to the standing committee for detailed consideration.

If I may, I would propose to begin my treatment of the legislation today by speaking about matters of principle that motivate the government in preparing and presenting this legislation: objectives, ideals and values.

The government suggests that the object of the regulation of firearms should be the preservation of the safe, civilized and peaceful nature of Canada.

While there are many reasons we respect and admire our neighbours to the south and value our unique relationship with them, there are also aspects of the American way of life that we see as very different from what we want for ourselves. Perhaps chief among them is the way in which firearms are regulated and used.

It is said that there are over 200 million firearms in private ownership in the United States of America, including tens of millions of handguns, with varying levels of regulation, but generally in a context in which the private use of firearms is acknowledged, recognized and even in some places encouraged including for self–protection.

It seems to me and to the government that we do not want that for ourselves. We do not want to live in a country in which people feel they want or need to possess a firearm for protection. That is the first principle we take as a guiding principle for the preparation of legislation in terms of the regulation of firearms.

A second principle is that if we are to retain our safe and peaceful character as a country we should signal in every possible way that we will not tolerate and we will severely punish the use of firearms in the commission of crime. Those who take up a firearm to threaten others, to rob or to assault must know that by choosing to use a firearm they are making an important decision about a large part of the rest of their lives. The punishment must be certain and must be significant.

Those who smuggle guns, those who traffic in illegal firearms, those who profit by putting guns into the hands of criminals must know that the penalties for such misconduct will be swift and will be certain. That is the second principle we take as governing or guiding the preparation of legislation as it relates to firearms.

A third principle is that we must acknowledge and respect the legitimate uses of firearms. We should acknowledge and respect the history and tradition of hunting, not only as a favourite pastime in many parts of Canada but as a very important economic activity contributing directly to the prosperity of a number of regions throughout Canada. We must acknowledge and respect the use of firearms for ranching or hunting purposes where firearms are a tool, an implement used by the proprietor of business to get by. We must allow for that. We must not interfere with that unduly.

• (1215)

May I say as well that we must acknowledge that some people enjoy collecting firearms. Some people enjoy the shooting sports. Indeed, Canada has achieved distinction internationally through the skill of those athletes who train and excel at sport shooting. We must acknowledge and respect that interest and that skill. But those legitimate interests, while they are acknowledged and respected, must be carried on in a context that is consistent with public safety.

[*Translation*]

Consequently, Canadians firmly intend to safeguard and to reinforce the exceptional civility which has always been theirs. The legislative and political program entitled "Safe Home Safe Street" is testimony of this government's commitment.

[*English*]

These are the elements of the legislation that we bring forward today as Bill C–68: First, tough measures to deal with the criminal misuse of firearms; second, specific penalties to punish those who would smuggle illegal firearms; and third, measures overall to provide a context in which the legitimate use of firearms can be carried on in a manner consistent with public safety. In all of that, the universal registration of firearms is a fundamental strategy, a fundamental support system to allow us to achieve the objectives I have described.

I know that for many members and for many Canadians the prospect of universal registration is the aspect of this legislation which is the most controversial. In the months I have spent travelling the country and speaking with those who own, use and enjoy firearms lawfully, I have been told by many that they see registration as a point on which they are going to differ with this government.

May I deal directly with the issue of registration and how it is going to enable us to achieve the objectives of a safe and peaceful society, a more effective response to the criminal misuse of firearms and enhanced public safety.

I will begin with the proposition that we live in a society in which all manner of property is licensed, registered or regulated in some way. All manner of activities are regulated either by legislation or administrative action to achieve a level of orderliness which is desirable in a civilized society. In that context, where cars, pets, and property of all description are registered or recorded for purposes of tracing ownership or reflecting transfers, surely the prospect of registering firearms is rationally justified by a society that wants to achieve a level of order.

What is the connection between registration on the one hand and the efforts of police to fight crime on the other, or trying to achieve a safer society? From my inquiries, from everything I have read and all the discussions I have had, both with law enforcement officers and with members of the firearms community themselves, it seems to me that criminals derive their firearms from the underground market. They do not register their firearms. They do not buy them at a local dealership, fill out the forms, apply for the firearms acquisition certificate, take the courses or pay the fees. Criminals acquire their firearms in the underground market illegally.

Those who engage in street crime tap into a market that is fed from one of two sources: guns that are smuggled into Canada and therefore are here illegally, or guns that are stolen from lawful owners and then traded in the underground.

• (1220)

Suppose you are inclined to use a gun in a holdup or an assault. You can go to one of Canada's major cities and, out of the trunk of a car, behind an after hours club, or on the second floor of a certain downtown hotel, or at a suburban house, if you know someone who knows someone, you can by one of these guns illegally and put it to a criminal use.

Surely we must choke off the sources of supply for that underground market. Surely we must reduce the number of firearms smuggled into the country. Surely we must cut down on the number of firearms stolen and traded in the underground. How do we achieve that? Through registration.

The registration of all firearms will enable us to do a better job at the borders. We will never stop the smuggling of firearms entirely. There are 130 million border crossings a year. We cannot stop every vehicle and check every trunk and glove compartment. But we can do a better job than we have done in the past and registration will enable us to do it.

Last year approximately 375,000 firearms came into Canada. Almost all guns sold here are imported. We do not know where they are or how they got here. There is no control once they arrive. We know that guns leak from shipments that come in lawfully. Just last week in Toronto there was an arrest of someone who had been illegally selling guns that were legally imported.

Registration will enable us to record what arrives and track it to the point of sale into the hands of a lawful owner. Registration will enable us to stop the kind of leakage that now occurs, to reduce the incidence of people illegally selling that which is legally imported.

Along with other measures that the government proposes in relation to border controls, including enhanced inspection and enforcement, registration will enable us to address one of the two principal sources of guns for the criminal market in the underground.

As to the second source of guns, those stolen from lawful owners, last year approximately 3,800 firearms were lost or stolen by those who lawfully own them in Canada. In the years since 1974 a cumulative total of 65,000 firearms have been stolen or lost and not recovered.

What does this have to do with registration? The police contend, and I accept it as a matter of logic, that registration which obligates each of us to record the fact of our ownership of firearms will imbue the owners with a heightened sense of responsibility to comply with laws already on the books mandating safe storage. These might involve locking the triggers, keeping the ammunition separate, or keeping the firearms themselves in a locked case.

With compliance with those safe storage requirements the incidence of firearms being stolen, of someone breaking and entering into a person's house and finding a shotgun leaning against the closet wall or a handgun in the bedside table will diminish. A second important source for criminals and guns will be addressed.

There is more. Registration will reduce crime and better equip the police to deal with crime in Canadian society by providing them with information they often need to do their job. Let me provide a practical example for my colleagues in the House.

Two weeks ago in Victoria when I met with provincial and territorial ministers of justice, we talked about a number of amendments to the Criminal Code that might make it more effective. One of them had to do with criminal harassment or so–called stalking.

It was suggested an improvement might be to add to the panoply of penalties the court can impose when convicting a person of criminal harassment, an order prohibiting them from possessing firearms because we would be dealing now with someone who had been convicted of a crime which too often leads to violence.

That suggestion was made in the context of ministers, not all of whom agreed with universal registration. But when the question was asked: Assuming that we have an order against someone made by the court forbidding them from possessing firearms because they have been convicted of criminal harassment, how will we enforce that order? How will we know that all of the person's firearms have been surrendered? How will the police know what firearms to look for when they arrive to enforce the order?

• (1225)

Mandatory registration will provide a basis upon which the police can enforce that kind of order, which is commonly made in the courts when people have been convicted of such offences.

I have said in the House in the past and rely heavily upon the fact that preponderantly the police are in favour of universal registration. We can quibble about individual officers. I know it is not unanimous. However, the chiefs have been vigorously pressing for this legislation for many years.

The Canadian Police Association, through its executive, is supportive of these measures. Police forces and boards across the country are encouraging us to proceed with this legislation. I know there are police officers who see it differently, but preponderantly the police forces are in favour of these measures.

Victims groups, including CAVEAT, urge us to have universal registration. Priscilla de Villiers, the president of CAVEAT, lost a daughter in a dreadful tragedy. She was murdered by a man in respect of whom the police had investigations concerning firearms.

In the Jonathon Yeo case there was an inquest into Nina de Villiers' death. After spending months looking at the facts of that case, the jury at that inquest recommended universal registration of all firearms. Priscilla de Villiers has spoken out strongly in favour of that measure, explaining her conviction that it will help the police to deal with crime.

The point is broader still. Registration will assist us to deal with the scourge of domestic violence. Statistics demonstrate that every six days a woman is shot to death in Canada, almost always in her home, almost always by someone she knows, almost always with a legally owned rifle or shotgun. This is not a street criminal with a smuggled handgun at the corner store. This is an acquaintance, a spouse or a friend in the home.

What does this have to do with registration? Domestic violence by its very nature is episodic and incremental. Typically, somewhere along the line the court has made an order barring the aggressor from possessing firearms. When the police try to enforce that order, just as in the case of stalking, they do not know whether they have been successful or not. They do not know what firearms are there.

When firearms are registered, if it is necessary for a person to register and show proof of registration to buy ammunition, as it will be, the police will know what firearms are there. The police will be able to enforce those orders and lives will be saved.

Suicides and accidents provide another example. Last year, of the 1,400 people who died by firearms in Canada, 1,100 were suicides. I know there are those who say that suicide by its

nature will result in death no matter what controls are in place if the person is determined to take his or her life. No doubt that point has some force. However, too many of those suicides were by young people acting in a moment of anguish, acting impulsively because of a failed relationship, difficulty in the home, or problems at school.

If a firearm is not readily available, lives can be saved. If registration, as the police believe, will encourage owners to store firearms safely so those impulsive acts are less likely, the result may be different.

In the years since 1970, some 470 children have died in Canada as a result of accidents with firearms. If we can achieve safer storage through registration, if registration will provide us with a tool by which we can identify firearms owners, educate them about their obligations for safe storage and encourage them to comply, children's lives could be saved. Against this background what are the objections to registration? It is said that it will be unduly costly, both to the government and to the firearms' owners. Let us examine that contention, first, with respect to the government.

• (1230)

We have provided our estimate of the cost of implementing universal registration over the next five years. We say that it will cost $85 million. We have also said that we will put before the parliamentary committee, on which all parties sit, details of those calculations showing our assumptions and how we arrived at those figures. We encourage the members opposite to examine our estimates. We are confident we will demonstrate that the figures are realistic and accurate.

In so far as the cost to firearms' owners is concerned, the system of registration that we envisage if this legislation is enacted would commence next year with the registration of owners. Those who own firearms would be asked within five years to pick up a card, conveniently available in their communities, to identify themselves by name and address and to return it. They would then be sent a permit or a licence to own a firearm. In the first year of the five–year implementation period we expect that the cost to the firearms owner would be zero. If it is not zero, it would be a nominal amount in the range of $10.

The second phase of registration, the registration of the firearms themselves, would commence two years later in January 1998. Again firearms owners would be asked to fill out a card, which they would pick up in their communities, identify their firearms by make, model and serial number, to return it and we will send them a registration certificate for their firearms. Once again, this would be phased in over five years from 1998. Once again, in the first year of implementation, the cost would be zero, or if not zero a nominal amount in the range of $10 to register up to 10 firearms.

If we contrast the relative convenience of such a system—all we are asking of firearms owners is to fill out two cards and mail them in—with the advantages that responsible people say we will achieve through such a system, it seems that on any cost–benefit analysis registration is justified.

It is said that such a system will be complex and bureaucratic. Surely it is evident from the description which I have given that it will be just the opposite. We can take the opportunity of designing and implementing such a system in collaboration with provincial authorities, with the input of the firearms groups to eliminate irritants, to overcome paperwork burden, to simplify and streamline the system so that all of our objectives can be achieved at the same time.

It is crucially important, in my judgment, that as we debate this question of registration, in respect of which there are strongly held views on both sides, that we do so on the real facts. Let us confine ourselves to the reality of the situation. Let us not hear that the registration system will cost $100 per firearm. Let us not hear that it is a prelude to the confiscation by the government of hunting rifles and shotguns. Let us not contend that it will cost $1.5 billion to put in place.

That is the way to distort the discussion. That is the way to frighten people. Surely this debate must be carried out on the real facts. When the real facts are addressed it seems clear that the objectives of which I spoke at the outset can be achieved while respecting the legitimate uses of firearms. This can surely be done without imposing unduly on firearms owners through the introduction of universal registration for the reasons I have described.

So far as crime is concerned, the House will know from statements made earlier that the legislation contemplates a toughening of the penalties of the criminal misuse of firearms. It contemplates a change in the structure of the code to overcome the plea bargaining of charges relating to the use of firearms so that the penalties will be woven directly into the sections which provide for the offences themselves.

• (1235)

I have discussed with my provincial and territorial counterparts their collaboration in an effort to ensure that the laws we write in the Criminal Code will be enforced as such in the courts and that the attorneys general of the provinces will instruct crown attorneys, in any case in which the facts justify them, to seek the penalties that are included in this legislation as deterrents to the criminal misuse of firearms.

In the course of the work that I did in response to the Prime Minister's request that I prepare this legislation, I met with over 150 national and regional organizations of firearms owners and users. I met with hunters, farmers, target shooters, collectors, skeet shooters and athletes who achieved distinction for Canada in the Commonwealth and Olympic Games. I met with the

Shooting Federation of Canada. I met with all manner of local hunting and outdoors and wilderness clubs.

I want the House to know that I listened and I learned from that process. Elements of this package were changed substantially, moulded specifically, on what I heard from firearms owners.

For one thing, the House will see in Bill C–68 that we not only intend changes to the Criminal Code to toughen the sanctions but we also contemplate a separate statute called the Firearms Act to deal with the regulatory aspects in relation to firearms acquisition, use and ownership.

This is intended to meet the longstanding complaint from firearms owners that they were offended by having to consult the Criminal Code to determine the manner in which their private ownership of firearms was to be regulated.

I was asked why it was necessary to combine the regulation of private ownership of firearms with the criminal law. I responded by removing those elements from the code and embodying them in a separate statute called the Firearms Act.

There were also suggestions early on calling for the central storage of firearms or urban gun free zones. From my consultation with the firearms community I learned that such proposals were impractical and they were not pursued.

At the outset the government was urged to ban all handguns. We were told that three–quarters of Canadians, and indeed the majority of firearms owners, believed that all handguns in private ownership should be banned. We did not do that.

In the course of my meetings with the firearms groups, I was very much impressed with the ardour with which many Canadians approach the target shooting sports. They are highly skilled people, very law–abiding, conscientious in their pastimes and their hobbies. These Canadians want to continue in those sports.

Therefore this legislation acknowledges and allows those sports to continue. What we have done is remove from circulation over time, and to ban immediately after the enactment of the legislation, the importation and sale of those handguns inappropriate for target or sport shooting, the so–called Saturday night specials. These handguns are by their design and characteristics suitable for concealment, inexpensive to buy, easy to trade in the underground and not appropriate for target shooting because of their lack of accuracy.

We have also made it clear that for those who own handguns in the banned or prohibited categories, such owners will be able to use them in accordance with the requalification requirements in the statute and trade them to and from others in the same class. Consequently complaints that we were affecting the property value of owners' investments have been addressed.

May I also emphasize that as this bill goes to committee following second reading debate, it will go with my request that the committee look at specific changes in the law. First of all, to ensure that we are accommodating all of those sporting competitions with handguns, we have already made it clear that the .22–.32 calibre Walther used by Linda Thom at the 1984 Olympics will not be covered by the ban. We want the committee to take the advice of the International Shooting Union to determine whether there are other handguns that should be exempted so that legitimate sporting activities will not be threatened.

• (1240)

Second, I will ask the committee to examine the question whether there are black powder shooting events that might be affected by this legislation. It is not our intention in any way to limit historical re–enactments with the use of reproductions. We do not believe we have done that but we will ask the committee to look specifically at that question and to let us know whether additional technical amendments are required to make the meaning clear.

Third, we will ask the committee to look at the question of relics and heirlooms, recognizing that there are families and individuals who want to pass on to the next generation firearms that they have acquired and that have a specific sentimental or historical value to the family. That should be respected. We will ask the committee to fashion a way to allow it to happen consistently with the imperatives of public safety.

May I also observe that the introduction of universal registration will allow a rational way to control access to ammunition so that those who wish to buy ammunition will have to establish that they are properly registered to have and use a firearm.

Last, may I refer to the aboriginal communities who during the period of consultation were insistent that we respect, first, their treaty rights and second, their traditional and community way of life.

The firearms legislation will apply to aboriginal communities in exactly the same way as it applies to everyone else. The principles are identical. However, we have undertaken to respect treaty rights. We believe that this legislation is consistent with treaty rights because it is no more than the regulation by the federal government of hunting and other activities.

An hon. member: Two classes of Canadians.

Mr. Rock: Not two classes. Furthermore, we believe that this legislation can be implemented in a way that is sensitive to the traditional way of life of aboriginal people, that its administration can be decentralized to the community. We are committed

to working with the aboriginal communities across Canada to ensure that happens.

From time to time issues and questions arise which permit the legislature of a country to define what kind of future it wants for the country. It seems to me that on the subject of the regulation of firearms we have just such an issue. We have an opportunity for Parliament to make a statement about the kind of Canada that we want for ourselves and for our children, about the efforts we are prepared to make to ensure the peaceful and civilized nation that we have and enjoy and to demonstrate just who is in control of firearms in Canada. Is it the gun lobby or is it the people of this country?

Much reference is made in the House on the subject of polls. It was not polls that inspired this legislation. This legislation is based on the principles and objectives that I described at the outset. However, polls are useful from time to time to remind us just where the people stand on these issues. There is no doubt that these proposals enjoy the support of the vast majority of Canadians, rural and urban, in every region of the country. They see this legislation as an opportunity for us to make exactly the kind of statement I referred to about the kind of country we want, the kind of future we want and just how firearms should be acquired and used in Canada.

I commend this legislation to the House. I invite its attention to the principles of which we speak and I ask for the support of the House for those principles.

[*Translation*]

Mrs. Pierrette Venne (Saint–Hubert, BQ): Madam Speaker, at last we have a bill on gun control, and we are very pleased. It was high time the Minister of Justice tabled his plan of action in the form of a bill. We are delighted to proceed with the real debate. No more delays, no more conferences and consultations. Now the debate can start on Bill C–68, which is supposed to be an innovative piece of legislation.

We in the official opposition are aware of the concerns of a public that is disturbed, and rightly so, about the proliferation of firearms and the shocking number of deaths caused by these weapons.

• (1245)

We do not criticize just for the sake of criticizing, although the Minister of Justice does not seem to agree. Our criticism is constructive. Basically, we support legislation that will tighten gun control.

Right from the start, I would like to stress the attitude of the Minister of Justice during the debate on gun control. It is always a pleasure to watch a politician who sticks to his guns.

That being said, although the Minister of Justice is to be commended, Bill C–68 is not a panacea. It will not deal with all the problems out there. In fact, I am not so much worried about what the bill contains as about what it does not contain. I will expand on this in a few minutes.

I can hardly ignore the behaviour of the minority pro–gun lobby, a minority that managed to give the impression that its extreme position is widely shared. The pro–gun lobby and their Reform Party friends have been piling on the speeches. They would have us believe that more is better. The warm welcome they gave the Minister of Justice when he visited Calgary says a lot about their allegiance and their cynical attitudes. Threats of civil disobedience, the sacrosanct right to own firearms and individual and collective rights are all part of their rallying cry.

They want the public to believe that a bill on gun control is worthy of a dictator like Stalin, Hitler or Pol Pot. I even received a communication in my office in Ottawa, with a list attached of countries where genocide had been practised and the dates on which gun control legislation had come into effect in those countries.

These fervent supporters of the right to bear arms were trying to establish a link between gun control and the genocides that have tarnished the history of mankind. This is pretty sad. I never saw such a total lack of intellectual honesty. These people should be ashamed of spreading such monstrous lies. To claim that the Armenian genocide was a direct consequence of gun control legislation that came into effect 40 years earlier is not only absurd but insane.

I agree that these individuals are not representative of the majority of those who object to all forms of gun control. Reform Party members should check their ranks and flush out the extremists. Some spring cleaning would be in order.

I come back to the bill before us today. In the fall we criticized it and, again today, we decry the minister's hesitation. Since the minister has been promising us legislation on arms control for such a long time, we were expecting something more complete, I can assure you.

The Minister of Justice wanted to win everyone over by giving something to each of them. Reformers, the gun lobby, and a number of colleagues of the Minister of Justice are delighted with the increase in the minimum sentences for crimes committed with guns and the fact that current firearms owners have almost eight years' grace to comply with the requirements of the national registration system the government is proposing today.

Let us have a closer look at who should be celebrating: the gun lobby or those in favour of stricter arms.

First, the bill proposes major changes to the Criminal Code. In terms of sentences, the bill increases from one year to four years the minimum sentence an individual must serve for committing a crime with a firearm. The present section 85 of the Criminal Code provides for a minimum sentence of one year for anyone using a firearm to commit a criminal act.

The problem with section 85 is that only a third of the charges made under this section result in convictions. Lawyers on a case will use this section most of the time for plea bargaining. The Crown is satisfied with the few convictions, because, in return, it obtains a guilty plea for the principal offence, such as robbery or sexual assault.

• (1250)

The bill does not resolve this de facto situation. Minimum sentences are increased, but there is no mechanism to force lawyers to stop bargaining for guilty pleas. In addition, judges, generally, tend to follow a principle of combining the number of years a defendant has to serve. Nothing in the bill will change this practice.

I would even bet that they will continue to do it and in this way reduce the length of the sentence for major offences. In real terms, there may be no significant increase in the actual number of years that the person will have to serve. However, if judges stop giving concurrent jail sentences, the increase in the jail population could become another problem area. I will come back to this later.

Finally, section 85 is modified by the addition of a list of 10 violent offences which will be covered by the provision. We wonder whether the government really was serious when it drew up this list. Manslaughter, an unpremeditated crime, is on the list. However, armed assault is not. Does that mean that the punishment will be the same, whether or not the victim survives the assault? Forcible confinement is not on the list, but kidnapping and hostage are.

I also really have doubts about whether the increase in the minimum sentence provided for in section 85 will be a deterrent. I would like to point out that a working paper on section 85, in particular, and on minimum sentences, in general, prepared by the department of justice concluded that for the most part, the public does not know which offences have a mandatory minimum sentence.

In addition, the same document, which the Minister of Justice should have analyzed more thoroughly, also concludes that mandatory minimum sentences are very weak deterrents and have little impact on the incidence of major crimes. Robbery is an excellent example. Even worse, apparently juries are less inclined to render a guilty verdict if they know that the accused will have to serve a mandatory sentence for the offence.

Assuming that judges will not apply the principle of adding up the total number of years for multiple offences, prison populations will increase substantially as a result. Indeed, the minimum sentence of four years would be served after any other sentence imposed by the judge.

The Minister of Justice seems to believe, naively, that detention centres could accommodate this increase in the number of prisoners. He claims that the deterrence effect of his bill would lower the number of firearms offences. There is no way of knowing the impact of his reform bill on the number of future convictions.

We must bear in mind that a chain is only as strong as its weakest link. If the minister wishes to increase minimum sentences stipulated under section 85 of the Criminal Code, he must realize that prison populations will increase thereby and that we do not have the necessary infrastructure to accommodate these new prisoners.

Let us turn our attention to the warning issued by Professor Pierre Landreville of the Université de Montréal. In an article published in *Le Devoir* of December 23, Mr. Landreville explains the danger of such legislation, and I quote: "Some 1,500 persons are convicted each year in Quebec and could possibly be given a minimum sentence of four years in addition to the sentence for the major offence. The population of Quebec penitentiaries, currently about 4,000 prisoners, would nearly double in the first four years after implementation of this measure".

If prison populations increase, so too will the related costs.

• (1255)

Will the minister honestly tell taxpayers how much his reform will cost us, knowing that, just to keep a prisoner in jail, it cost on average, in 1992–93, $56,000 in a maximum security facility and $36,000 in a medium security one? Can the pro–gun lobby still say it is satisfied with the increase in the minimum sentence stipulated in section 85?

Moreover, for those of us in favour of gun control, can we claim this as a victory? Certainly not. The bill establishes a separate piece of legislation providing for a licensing system regarding the possession and use of firearms, and a national system for the registration of all firearms. Non–compliance with the provisions dealing with licensing and registration will be an offence under the Criminal Code. Going against the wishes of several of his Liberal colleagues, the justice minister decided to maintain sanctions in the bill.

Moreover, Bill C–68 provides for new offences and hefty penalties for the illegal importing of firearms and gun trafficking. In addition to the compulsory minimum sentence, individuals convicted of one of the ten designated violent offences will be prohibited for life from possessing a restricted or prohibited weapon. Up to now, everything is fine and these provisions are the direct result of our representations.

Also, under bill C–68, from now on, importing or selling .25 and .32 calibre handguns and handguns that have a barrel 105 mm in length or less will be prohibited. This ban affects roughly 58 per cent of all handguns in Canada.

Concurrently with Bill C–68, the justice minister has banned several types of military and paramilitary weapons by an order in council taking effect on January 1st, 1995. A total of 21 types of military and paramilitary firearms will now be prohibited, and they include more than 200 models. However, as the Minister of Justice said, the cornerstone of his bill is the registration system, a computerized record of names and particulars of all gun owners, along with a description of all the firearms they own.

On the eve of the new budget of the Liberal government, the proposals of the Minister of Justice raise a number of questions on the cost of implementing such a system at the national level. The minister was saying, on December 6, in Alberta, that it would cost at least $85 million to implement. He said that the cost would be spread over five years and that, afterwards, the system would generate revenues. The day before yesterday, during a press conference, he went back on his word and said that the cost would actually be spread over seven years. He demonstrated to the people that he has no idea of the possible cost of such a system and who should bear it.

Unfortunately, we can no longer rely on the minister's estimates since, in two months, he added two years to the amortization period. In a few months, will come before the Standing Committee on Justice to tell us that the costs will never be recovered?

We always asked for a self–financing system. How is the Minister of Justice going to finance his system? He said that gun owners would not have to pay a cent to get their new registration certificates. Current owners will simply have to pay renewal fees of $60 in five years.

He also states that new certificate holders will only have to pay a small fee of around $10. How can the minister claim that system costs will be paid off over five or seven years? Why not 10 years?

• (1300)

In the meantime, he is asking the provinces to loosen their purse strings to help him pay the bill. He is asking the provinces to help him administer a system whose costs are unknown. This means that not only gun buyers and owners but all taxpayers will pay.

As I said earlier, to the costs associated with the system we must add those associated with a possible increase in prison population. The Minister of Justice can manipulate numbers as much as he likes, but the fact remains that the costs of his bill will be supported by the entire population.

Another flagrant example of the lack of rigour in calculating costs is a January 19 memorandum from the office of the justice minister stating that the government hopes but cannot confirm that current gun owners will not have to pay fees to obtain certificates of ownership.

The memorandum goes on to explain that fees will go up over time to encourage early registration and that the government is hoping that fees will not be charged during the first year.

Terms like "hoping" and "cannot confirm" suggest that the minister does not know the first thing about arithmetic. He has no idea of how much ordinary taxpayers will have to pay. He does not have any idea of the costs associated with Bill C–68 and how much gun owners will have to pay. We are basically demanding that the Minister of Justice's mathematics be clarified.

Finally, can we really talk about a victory, as suggested by the minister, when we know that all this great system will not become operational until the next century? I doubt it.

On the subject of regulations, the justice minister has missed a golden opportunity to practice what he preaches. Regulations respecting the storage, display, handling and transportation of certain firearms is a legal jumble that his department would have trouble sorting out. These regulations have been in force since January 1, 1993, but a great many people are still not aware of their existence, let alone their requirements. Even the police, who are responsible for enforcing them, says they are unfamiliar with these regulations.

When I questioned him in the House on November 15, the Minister of Justice answered, and I quote: "I well understand that the challenge we face is to make Canadians understand and comply with safe storage requirements."

I reviewed his action plan and his bill inside out, but nowhere is any revision of these regulations to be found. Yet, the Minister of Justice claims universal registration of firearms is necessary to make owners more responsible vis–à–vis storage and transportation. How can gun owners be asked to be more responsible and comply with regulations that they do not know about or do not understand?

The danger with inadequate regulations is that improperly stored firearms and ammunition are readily available to an individual who yields to a suicidal or violent impulsion. On the other hand, if firearms and ammunition are not readily available, chances are the person will calm down. Statistics on deaths caused by firearms are alarming. In 1991, suicides accounted for 77 per cent of the 1,445 deaths caused by firearms. In 1992, out of 732 registered homicides in Canada, 246, or 34 per cent, were committed with a firearm.

In the last ten years, most homicides were committed with shotguns or hunting rifles. Three times out of four, a spouse is killed by a rifle or a shotgun.

• (1305)

In Quebec, from 1990 to 1992, there were 1,293 deaths caused by firearms, which represents an annual average of 425. In that same province, suicides account for three out of four deaths

caused by firearms, for a total of about 300 suicides per year. These statistics cannot be overlooked.

The inquest conducted in Montreal, last November, by coroner Anne–Marie David shed some light on the deficiencies, and the resulting dangers, related to inadequate regulations. Coroner David's report was released on January 26.

Throughout the hearings, the most frequent criticisms were related to the inconsistency of the current regulations. Lieutenant Guy Asselin of the Quebec provincial police testified and said: "The regulations are not necessarily clear, which does not help those who have to enforce them, nor those who want to comply with them".

The spokesperson for the Quebec police and fire chiefs' association, Mr. Richard Côté, made essentially the same comment when he said: "Police officers do not know how to interpret the law. You almost have to be a legal expert". Mr. Côté added that these regulations were included in the program of only two of the nine CEGEPs offering the police technology course, and that the related training lasted only a few hours.

If police officers themselves cannot understand the regulations, how can the Minister of Justice claim that his bill will increase safety at home? Police officers are not the only ones who do not know the regulations. Those who are directly concerned, and I am referring to the owners of firearms, hardly know there is such a thing as regulations on the safe storage of firearms.

A Léger & Léger poll has confirmed these disturbing facts. The poll was conducted from September 1 to September 13, 1994, among 515 owners of firearms residing in Quebec. When asked whether they knew about these regulations, only 53 per cent of respondents thought there was a law on storage, 31.8 per cent said no and 15.1 per cent were undecided. It is clear that, in addition to a national registration system, a thorough review and targeted advertising are necessary.

The Minister of Justice forgets that sometimes simple solutions are the most effective. If the government made it compulsory for businesses to supply individual locking systems for every firearm sold in this country, the problem would be practically solved.

The minister keeps repeating that registration of owners and firearms is just like getting a driver's licence or a licence for your car. If the minister had pursued his analogy, he would have realized that cars are sold with locking systems. I may have a driver's licence, but that does not mean I can start my neighbour's car without an ignition key.

My point is that every firearm sold in this country would have a device that would make it totally harmless. The owner would then be under the obligation to keep the firearm locked at all times, failing which he would be breaking the law. In this way, gun collectors would be able to exhibit their pieces, and in season, hunters would be able to practise their favourite sport.

I support the recommendations of coroner David, in which she urged the Minister of Justice to amend the wording of the regulations for storage, display and safe transportation of firearms, to make them more consistent and ensure they are more readily understood by the general public.

Similarly, the Minister of Justice should pay particular attention to the recommendation that the regulations be changed to oblige people selling guns to lock or disarm all weapons intended for sale and to prevent them from storing restricted firearms anywhere but in a vault and prevent the delivery to a customer of a firearm not equipped with a safety catch.

• (1310)

In conclusion, I believe that setting up a national registration system is a positive step, subject to my earlier comments. I must, however, say again that I find it most regrettable that the Minister of Justice bowed to pressure from the gun lobby. By spreading owner and weapon registration over eight years, the minister is stating very clearly that he does not want the system implemented during his term of office. Furthermore, I believe the minister backed off significantly from his original plan of action by permitting the purchase and sale of handguns between owners of the same type of weapons.

Finally, it appears that the minister has not yet completed his consultations and that he is now leaving it up to the Standing Committee on Justice. He wants the committee to look at the following questions: Should we allow the owners of prohibited firearms to bequeath these weapons to their children? Are there handguns that may be used for target practice? Will the use of replicas of powder fired guns be allowed at celebrations?

The minister should have assumed the consequences of his choices himself rather than force the parliamentary committee to make some of the unpleasant decisions.

In closing, we hope the minister still has sufficient leeway to take our recommendations into consideration.

[*English*]

Mr. Jack Ramsay (Crowfoot, Ref.): Madam Speaker, I would like to begin this debate before I get into the text of my intervention by touching on a couple of comments the justice minister made.

This is the most confusing time for the justice minister to bring new legislation on gun control into the picture. The reason is that we have court decisions, one in Alberta, clearly indicating the orders in council passed by Kim Campbell are invalid.

Until such time as that decision is overturned, the orders in council passed by Kim Campbell and the orders in council passed by this minister, becoming effective January 1, are considered to be invalid and are not being enforced. I also understand that B.C. has taken the same position on these orders in council. A court of Queen's Bench decision renders those orders in council invalid.

We have asked the justice minister in this House if he would not consider waiting until that particular case moves through the appeal courts and a final determination is made. The justice minister has refused to accept that advice and is now heaping orders in council upon orders in council that the courts in this land are saying are invalid.

It also means that all the actions taken by the police and the court under the authority of the orders in council passed by Kim Campbell's government have been illegal. All of the seizures, confiscations and destruction of weapons without compensation are considered illegal.

Unless the judge's decision is overturned they will remain in that state. We have asked the justice minister to please wait until such time as this confusion within the courts has been cleared up. He has failed to do so.

I would like to touch on the point the justice minister raised about registration of rifles and shotguns where an individual will simply have to go to the appropriate place within his community, pick up a card and fill in the make, model and serial number.

I was talking to a firearms inspector in Alberta. I suggested this was the method that would be introduced. He said it is utter nonsense. I asked why and he said you cannot register what you do not inspect, otherwise you are going to have a system that is absolutely unreliable. I asked: "What do you mean?" He said: "Unless you inspect the identifying features on a firearm and the firearm inspector records that within the system they cannot be sure of the accuracy of that information".

• (1315)

The justice minister knows as well that there are many firearms with the same serial number, the same identifying features. The suggestion by the justice minister that this is going to be easy and inexpensive is simply nonsense. It is just not accurate.

I cannot support this gun control legislation because the centrepiece of it, the registration of all rifles and shotguns, will not reduce the criminal use of firearms.

The justice minister has not told us how these measures will reduce the criminal use of rifles and shotguns. The police chiefs have not told us. The Coalition for Gun Control has not told us how the registration of rifles and shotguns will reduce their criminal use. No one who supports the registration of rifles and shotguns has told us, told the House or told anyone how it will reduce the criminal use of these firearms. They have not because they cannot.

Handguns have been registered in the country and their use strictly controlled for 60 years. Yet we see an increase in the criminal use of handguns in Canada today. If handgun registration does not reduce the criminal use of these particular firearms, will the justice minister please tell Canadians how the registration of rifles and shotguns will have a different effect?

Death from shotgun wounds occurs in four primary areas: in criminal activity, in domestic disputes, in suicides and in accidental use of firearms. The imposition of a firearms registration system will do nothing to reduce deaths in any of these areas. The gun control bill does not address or reduce the cause of domestic disputes or suicides. Certainly registration is not the answer.

The justice minister has stated in the House, as he did today, that every six days a woman is shot to death in the country. This is a horrific statistic. Unless the causes of domestic dispute that produce these statistics are addressed nothing will change. The registration of firearms will not change this statistic and nothing within the minister's bill will address the cause of domestic disputes.

Safe storage of firearms may reduce suicides and accidental shooting. However these regulations are already in force. I have heard no one to whom I have spoken who is opposed to those regulations. They are common sense and they support them.

Over 80 per cent of the people in my riding of Crowfoot, Alberta, who responded to a survey indicated they did not believe the banning of handguns or the registration of rifles and shotguns would reduce the criminal use of firearms. The question that was asked directly was: "Do you believe that the registration of rifles and shotguns will reduce the criminal use of these firearms?" Over 80 per cent said no.

The other question was: "Do you believe an outright ban of handguns will reduce the criminal use of these firearms?" Over 80 per cent said no, but 94 per cent said that they were in favour of imposing harsher penalties upon the criminal users of firearms.

I believe during the period of review and debate on Bill C–68 as more Canadians become apprised of the details of the legislation and as people recognize the ineffectiveness of these gun controls in reducing crime and the enormous cost to the taxpayer, opposition will mount. I am reminded of the support for the Charlottetown accord when it first came out. Over 70 per cent of western Canadians were willing to support it but the more they learned about it, the more support for that accord plummeted like a stone.

• (1320)

Canadians have repeatedly urged the government to do something about crime, to strengthen the Young Offenders Act, to reform sentencing procedures and the parole system that continues the early release of violent offenders into society. These people have witnessed innocent victims being murdered, raped and viciously assaulted by offenders released into society by a system of justice that is preoccupied with the rights of the criminal, not the protection of the law–abiding citizen.

I might add that the registration of rifles and shotguns is aimed at the law–abiding citizen. I will touch upon this point later in my speech. If they should deliberately neglect to register their shotgun or firearm they are subject to 10 years in jail, which is draconian, absolutely absurd.

The sentencing provisions of the bill suggest the justice minister and the Liberal government are getting tough on crime. This is nothing more than a pretence. The bill contains provisions for a minimum of four years imprisonment for the criminal use of a firearm. However section 85 of the Criminal Code already allows for an additional sentence from one to fourteen years for the use of a firearm in the commission of a crime. This law has not been enforced rigorously at all in some areas of the country.

Crown prosecutors have used their discretion either to ignore this law or to plea bargain it away. The justice minister admitted shortly after he submitted the proposals in the legislation that his new bill would not eliminate the discretion of the prosecutors to continue to ignore or plea bargain away the new four–year minimum sentence. There is no assurance of that.

We look upon this portion of the bill as a step in the right direction. However it would not be needed if section 85 were enforced and it will be useless if the crown continues to plea bargain away the new four–year minimum sentence.

In addition to the lack of enforcement of section 85, lenient sentences and early parole are contributing to a violent society. Who is responsible for this? I ask this question of the House: Are the parliamentarians who created the laws that now spew violent offenders on to the street before they have served their full sentences not responsible for the death of the Melanie Carpenters of the country? Are those same parliamentarians not responsible for creating a situation where the rights of the criminal supersede the rights of the victim and the victim's family? Are they not responsible for the growing fear of violence experienced throughout the country?

I want the people of Canada to know that when the justice minister had the opportunity to vote for a safer society or the early release of murderers into society, he voted for the violent criminal instead of a safer society. The Minister of Justice voted against eliminating section 745 from the Criminal Code which grants first degree murderers the right to apply for early parole. The justice minister in effect voted for the criminal and against eliminating violence and against the Melanie Carpenters of the country. So did the entire caucus, except for the Minister of Transport.

The Minister of Transport stood with 24 of his Liberal colleagues and voted with the Reform Party to eliminate section 745 which allows for the early release of convicted murderers into society. I might add that during that vote when I looked over at Bloc members I did not see one of them standing against the early release of violent criminals back into society.

If the minister is sincere about fighting crime we recommend that he do the following: increase the maximum jail terms for all violent crimes including firearms crimes, implement a zero tolerance policy for criminal offences involving firearms, ensure that charges are laid in all firearm crimes and that plea bargains are not permitted, provide judges with sentencing options including no parole for all violent crime and provide for progressively more severe penalties for repeat violent offenders and firearms offenders.

• (1325)

Until the Minister of Justice implements these get tough measures he is only pretending to get tough on crime. Until the minister can demonstrate to us that the sentencing provisions of the bill will deter criminals from using a firearm during the commission of a crime we cannot support the bill because that we understand is what the bill ought to be doing. It is not going to do that.

Until the minister can assure Canadians unequivocally that the registration of rifles and shotguns and the banning of 58 per cent of the handguns currently sold in Canada will reduce the criminal use of firearms we will work to defeat this convoluted and expensive piece of legislation.

Reform members, like many Canadians, support gun control legislation based upon common sense. We fully support any and all gun regulations that will enhance public safety by reducing the criminal use of firearms. We say that present firearms legislation is adequate.

What the government ought to be doing is focusing its attention on the criminal use of firearms, giving Bill C–17 an honest chance and evaluating the impact it has upon these problems. It was recommended by the Auditor General in his 1993 report that before the government moves forward with any further gun control legislation a careful and thorough analysis of Bill C–17 and its impact upon the whole issue should be made. This we submit has not been done and it should be done.

The expensive and ineffective system of licensing and registration rifles and shotguns described within Bill C–68 simply does not make sense. It will not reduce the criminal use of these

firearms. It will not reduce domestic violence and it will not prevent suicide.

The minister has not provided us with any statistical justification for the registration of rifles and shotguns. How can Canadians, in the absence of such information, be confident that universal registration will reduce the criminal use of firearms and thereby make society safer?

The minister defends the bill by claiming that the chiefs of police support him and have requested the registration of all rifles and shotguns. We ask this question: Why does the minister not also embrace the chiefs' position on capital punishment and on the elimination of section 745 of the Criminal Code which grants murderers the opportunity for early parole?

It is clear to me that he does not really believe that when we have a law enforcement problem we go to the chiefs of police. It seems the justice minister is only going to the chiefs of police when he needs them to support a particular bill.

We cannot afford ineffective legislation particularly in the area of criminal justice. We must have sound and proven controls in place that ensure public safety.

The minister states that the cost of the legislation will be only $85 million. However the cost of registering a single handgun is estimated today to be $82 and over $100 in Quebec. It is estimated that there are approximately six million rifles and shotguns to be registered in Canada.

Taking the lowest of these two fees, the cost for registration alone comes to $492 million. If the minister is suggesting that the registration of a rifle or a shotgun will be substantially less than the present cost to register a handgun, has the government been wasting taxpayers' money on the handgun registration system? Does this imply that the registration of long guns will not be as rigorous and thorough and therefore less effective than the handgun registration system?

I might add that the Terence Wade report clearly demonstrates that the expensive handgun registration system is defective and almost useless as a crime fighting tool. This is a report that we had to wring out of the justice department.

Let us deal with the banning of handguns and the hand held crossbow.

• (1330)

Where is the information and where are the statistics that the Minister of Justice used to justify such a draconian measure? That is what we ask for. Certainly anyone who responds to common sense will respond to those kinds of statistics that justify such measures. We have not seen them. We have not seen any of the statistics upon which much of this legislation is based.

The minister's original proposals banned the handguns used by our World Cup competitors. When asked in the House of Commons to exempt the .32 calibre handgun which is used in those competitions he said he most certainly would not. However, Bill C–68 does provide an exemption for these handguns and I compliment the minister for taking a second look at that issue.

It is clear, though, the minister's consultative process was badly flawed in spite of his presence that he was taking expert and technical advice from all interested groups. In connection with that, in the back of one of the pamphlets which was put out with the proposals, was a list of all the organizations and groups which the Minister of Justice met with on firearms. They are listed by way of province. There are eight listed for Alberta.

However, I have been advised that the Nosehills Gun Club and the Provost and District Fish and Game Association never met with the justice minister; yet that is what the document claims. Further inquiries indicated that they sent a letter to the justice minister expressing their concerns about the gun control proposals. They did it by way of someone else who was coming to Ottawa to meet with the justice minister. They had not received a reply to their letter, which was sent by courier, as of the date on which I spoke with them.

I submit that the registration of rifles and shotguns does not and will not protect Canadians. If the registration of firearms did we would have no problem with handguns and the criminal use of handguns. Every firearms control aimed at law–abiding gun owners such as the banning of handguns and the registration of firearms is an assurance to criminals that their victims and their potential victims are becoming more and more defenceless and helpless.

It has been proven by various sources that banning a product, including firearms, does not prevent criminals from getting these items from the black market. Repeatedly governments in this country have learned that prohibitive or restrictive measures lead to an underground market where people thrive on the challenge of obtaining something illegally and where ruthless entrepreneurs profit tremendously.

This bill clearly indicates that those Canadians who so adamantly oppose registration and may defy the minister and his law will not go unpunished. Under Bill C–68 these people will be subjected to a maximum ten–year penalty, a penalty which is equivalent to those imposed on some murderers in this country. What comes to mind is Mr. Lortie who went into the Quebec legislature and murdered three people and wounded 13 others. Now he is out after serving 10 years. The justice minister wishes to equate anyone who deliberately neglects to register their shotgun or rifle with that kind of prison term. That is absurd. It is wrong. It is unconscionable. It ought to be deleted from the bill before it goes any further and I would ask the minister to do that.

In addition, this bill creates one penalty for those who in ignorance of the law fail to register their firearms and another much more serious penalty for those who deliberately neglect to

register their rifle or shotgun. The Reform Party believes that existing controls on gun ownership are more than enough and that no further controls of this type are necessary to ensure public safety. We also believe that no amount of gun control on firearm ownership can stop criminals from acquiring guns by illegal means.

• (1335)

In conjunction with the regulations we recommend these following features: decriminalize minor violations respecting storage, display, handling and transportation of firearms; decriminalize those offences that are more of an administrative matter than any criminal attempt to violate a law; make all firearm regulations, including orders in council, subject to review and approval by Parliament, and let us have no more of these orders in council that are not viewed by the elected representatives of the people being passed into law; simplify the firearms acquisition certificate renewal process.

I would like to end my speech today using the words not of members on this side of the House but those of members from across the way. On November 5, 1991 the Liberal member for Kenora—Rainy River said when the House was debating Bill C–17: "What we are debating is just what it means to the law–abiding citizen, the individual who feels that this piece of legislation does absolutely nothing to the criminal element that we as members of Parliament are supposed to be dealing with. We are not supposed to be restricting severely law–abiding citizens who are not the problem at all. We have suggested to law–abiding citizens of this country that we cannot trust them to do the right thing".

On the same date the Liberal member for Willowdale said: "There has been almost no suggestion and certainly no evidence that it is legitimate gun owners and members of gun clubs who have created the problem of gun related deaths in Canada. It seems to me that this bill as it now reads is dealing not with the fundamental issue of controlling the criminal use of guns, it is penalizing people who have proven in the past that they are part of the solution and not part of the problem of gun related deaths in Canada. This bill is very deficient in that it is not fair. People have over the years acquired a number of guns. Many of these guns are going to be taken away from them by this bill without compensation". It certainly applies to this bill.

The member further stated: "It is expropriation without compensation. You cannot do that in terms of people's homes and cars. Surely this is not fair. Let us not pretend that we are dealing with the root cause of gun related deaths in Canada and the harm that guns can cause Canadians. It does not address the real problems so that we as a Parliament will have to come back to deal with those issues not too many years from now".

I have news for the member for Willowdale. You are back, your party is back and, like the previous government, is still not dealing with the problem, certainly not the cause of the problem.

Finally, we have the words of the member for Haldimand—Norfolk: "I believe this is nothing but a bill to hoodwink the Canadian people into believing that the government is concerned about trying to do something about gun control when it clearly does not. This bill addresses none of these uses of a firearm except by placing more stringent conditions on the acquisition of an FAC. It fails to address the real problems in society. It gives Canadians a false sense of security that the government is actually doing something to stop crimes when it is not. This bill seems designed to disarm, overregulate and financially devastate the honest Canadian citizen. It will redefine Canadians as criminals and punish them severely for things like paperwork. I suggest that in this bill the government is encouraging an underground network of illegal guns".

These members were all speaking against Kim Campbell's Bill C–17 which did not restrict and confiscate law–abiding citizens' guns to the same extent as the current bill before us will or threatens to.

I am glad that so many members on the other side of the House share the same common sense opinions expressed on this side. I sincerely hope that these members continue to express these views despite the pressure from within their caucus to do otherwise.

I would like to tell this House and make a commitment to all Canadians that a Reform government will repeal any ineffective, costly legislation such as Bill C–68.

• (1340)

Mr. Clifford Lincoln (Parliamentary Secretary to Deputy Prime Minister and Minister of the Environment, Lib.): Madam Speaker, regarding the last comment by my Reform colleague, I can understand why the Reform Party will never form the government. It would be going against the wishes of 95 per cent of Canadians.

Some hon. members: Oh, oh.

An hon. member: Which survey?

Mr. Lincoln: At the last biennial—

The Acting Speaker (Mrs. Maheu): Order. The hon. member.

Mr. Lincoln: At least they should show courtesy. If they do not agree, they should show courtesy. We listen to them. We do not agree with them, but we listen.

At the last biennial convention of the Liberal Party in May 1994 the women's commission of the Liberal Party presented a resolution asking for tighter gun control laws in Canada. I felt very privileged to be asked to second that motion which was adopted by unanimous vote of our party then. That same day the

Prime Minister in his address at the end of the convention made a very strong commitment to gun control legislation.

I would like to quote his words: "I would like to thank the women's commission in particular for having tabled an excellent resolution and strengthening firearms legislation. I believe that there is no place for firearms on our streets or playgrounds and I believe that the time has come to put even stricter measures in place to achieve this goal. I will be asking my Minister of Justice to examine your resolution very closely and to draft tough gun control legislation. I hope we have the support of all parties for this tough gun control. I know the Bloc Quebecois supports gun control and Preston Manning and the Reform Party are certainly talking a lot about crimes. I hope they will support these restrictions because tough talk is easy. What Canadians want and what we must provide is tough action".

At this point I would like to pay special tribute to the Minister of Justice. He has been patient in an exemplary fashion. He has heard. He has listened. He has crossed Canada to hear groups that were for gun control legislation and those violently opposed to gun control legislation.

He has heard not only from police chiefs but from community groups, from sports and gun clubs and any number of citizens of Canada who felt one way or another about this legislation. Eventually the time comes when decisions have to be made.

I thank him for his courage, his tenacity, his perseverance in bringing forward Bill C–68. What is more important is that he has told us time and time again that this is only part of a much broader picture, that crime prevention is not ensured by gun control legislation alone, that several measures must be taken together so that there is a reversal of attitudes in our society so that crime does not continue to be the menace it is today in our streets, in our villages and in our towns.

The whole crime prevention package is far broader than gun control legislation. It includes sentencing reform. It includes corrections and parole reform. It includes, as we have done, amendments to the Young Offenders Act. It included a Canadian crime prevention council which was launched last year.

More important, it includes broad social reform. In our red book we have tried to portray a holistic approach to society, to social reform, because unless we prevent the social causes that are the very root of crime in our society we will never eradicate crime no matter what legislation we put forward, no matter how tough the legislation, no matter how tough the jail sentences.

We have to reverse attitudes, create a new type of society in which we eradicate the root causes of crime: poverty, lack of education, lack of opportunity. This is what we are doing to approach social questions in a holistic fashion so that there is not only the tough legislation on gun control and crime but also the addressing of the root causes that lead to crime.

• (1345)

The intention of Bill C–68 is not to penalize or hinder legitimate gun owners. Not at all. In fact it recognizes the legitimate right of gun owners to use them for sport or for their livelihood. It recognizes the treaty rights for aboriginal people in Canada. At the same time it does recognize a profound reality. That reality is very simple. Guns are lethal weapons and they kill.

In fact, some of the opponents of gun control have tried to portray this as an urban versus rural debate. I suggest it is not. In fact, statistics accumulated for the period between 1980 and 1989 showed that in those 10 years there were 63 per cent more deaths by guns in towns with a population of under 5,000 than in towns with a population of over 500,000. Therefore it is not a big city versus small city problem. It is a problem of the safe handling of guns.

Guns impact especially on the lives of women. In the case of violence against women 42 per cent of all acts of murder committed on women have been done with guns. Of those guns 80 per cent of them are rifles used by their owners to batter and murder their wives.

We have to do something about this. We have to attack the problem, certainly the long term problem, by looking at the root causes of the social evils of society. At the same time we have to take short term measures to ensure that crime does not pay and that guns will not kill.

[*Translation*]

I would like now to pay a special tribute to two young women I know well—especially one of them—, Heidi Rathjen and Wendy Cukier, two young women who quit lucrative jobs. Heidi Rathjen is an engineer. She is now working almost on a volunteer basis to achieve stronger legislation on gun control. Heidi Rathjen said recently in an interview: Had we had stricter legislation, Marc Lépine and Valery Fabrikant might not have been able to do what they did. Were there even a slight chance that stronger legislation would have prevented Marc Lépine and Valery Fabrikant and all the others who committed senseless, horrible crimes from doing so, then that legislation would have been worthwhile, a thousand, a hundred thousand times over.

Michael Hogben was one of the four individuals killed by Valery Fabrikant. Michael was one of my friends. I worked very closely with him at Concordia University. We worked together on the Esther Goldenberg lectures, and it was on the eve of these lectures, which Michael was to organize, as he always had in the past, that he was killed. I remember being at the Hogben apartment with Esther Goldenberg after his funeral. I remember seeing Mrs. Hobgen there, whom I had not met before, and the two young Hobgen girls, and thinking that a scholarly person, a person with so much to give to society, not only erudite but a person of character, exceptionally high–minded, well–liked by everyone, his students and colleagues, was killed in the prime of

his life, senselessly, by someone who had managed, under existing legislation, to obtain not one but two firearms.

We must recognize that the legitimate use of firearms is acceptable, but when used maliciously, firearms can cause irreparable, irreversible damage.

• (1350)

How can one measure the damage of a ruined life, the nightmare experienced by the surviving family, who relive the event every day and every night, because they can never forget? This is not death due to illness, it is violent death brought about by the use of a firearm. And that is a price no society can afford.

I know the debate on firearms is heated. I know the whole question of registration is especially controversial.

[*English*]

Yesterday in question period and again today our friends from Reform were questioning the cost of $85 million. They saw that as being too much. One Reform member said yesterday that we should send that money to cancer research or not spend it.

I wonder if the Reform members have calculated the cost to society of a simple trial, of putting people in jail, of police control for people who have used guns. The cost is far greater not only in terms of money, but certainly in terms of life lost.

What is the value of a life? Is it $1 million, $2 million, $80 million, $85 million? I wonder how much the lives of the 14 young women killed at the polytechnique were worth. I wonder how much Michael Hogben's life was worth. They are not statistics. We do not measure their lives, their souls, their beings in monetary terms.

It seems to me that society has not only the right but a duty to make sure we take every possible step we can as legislators to try to eradicate the ills caused by guns. If registration helps, even if it is not watertight, even if there are loopholes and even if we cannot prove statistically that it will work 100 per cent of the time, if it makes committing crime more difficult, then it would be worth it and would be money spent well.

Registration will certainly improve the control of the flow of firearms across borders. It will help the police trace firearms used in crime. Moreover, it will place the responsibility on the individual himself or herself. When someone has to go through a registration process, be it for a car, a boat, or any possession, it ties a special responsibility to that person to care for that possession.

Registration will be an immense deterrent. In fact, it is no accident that a great number of community organizations, police organizations and all anti–crime community organizations and institutions are heavily in favour of registration. That includes the great majority of people in the province of Alberta where most Reform members are from. British Columbians should be proud because it is the case in B.C. as well.

If registration and gun control legislation were only to save one life, I suggest it is worth it. I know the Bloc members share our view on this and I thank them for it. On this side we hope, and are convinced, that if it saves many lives, then Bill C–68 will be a major piece of legislation. Not only will it be because it is Liberal legislation, the work of this government and this Minister of Justice, but because it is a piece of legislation that society at large needs and wants.

Today we are in the process of getting it. Once again, I pay tribute to, thank and am very grateful to the Minister of Justice for having brought this bill forward.

• (1355)

I hope the great majority of us here will reflect the majority view of Canadians at large, and 95 per cent of those in Quebec, who believe that gun control legislation is not only needed but it was needed yesterday. It is a great piece of legislation. It is a forward piece of legislation and I will support it with great conviction.

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, I get the impression from the rhetoric over there, the violence of it and the great emotion I heard that this is exactly the type of approach to gun control that makes people in this country frightened. The reasoned arguments which were expressed by the justice minister, although I emphatically disagree with them, do not carry the same connotations as what came across the aisle from the hon. member for Lachine—Lac–Saint–Louis.

If one is to take seriously what he was saying, I am quite convinced that this is the type of thinking, this rabble rousing, this fanning the emotions of people which will ultimately lead to the confiscation of private arms in this country. That is why people are so concerned.

The hon. member refuses to deal with real numbers. He says that he thinks registration will be a deterrent. Those were his words. We do not pass legislation of this magnitude simply because we think something.

He quoted the chiefs of police, as did the Minister of Justice. I would remind both members that when gun control was being discussed in this House in 1976, the police chiefs presented a brief to the Standing Committee on Justice. In that brief they emphatically stated that registration would serve no useful purpose in the control of crime. Whether the organization had—

The Speaker: My colleagues, we will have seven or eight minutes remaining after question period and the hon. secretary of state will have the chance to speak at that time.

[*Translation*]

It being 2 p.m., pursuant to Standing Order 30(5), the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[*English*]

THE BUDGET

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, the budget is quickly approaching. Canadians are not prepared to pay more taxes. They are in fact letting all of us in government know that they are prepared to react very negatively should taxes be increased.

However, Canadians are prepared to do with less services. They are asking us to cut services and programs and to ensure a fair taxation system so the middle class does not bear an undue burden of taxes.

Being a Liberal is not easy in these times. While we know we must bring down the deficit, we also know that our party has shown compassion over the years and has taken care of individuals in need.

We must and will continue to ensure that we are able to care for all Canadians, both now and in the future. I am committed to working toward these fundamental values. We recognize that difficult choices must be made if we are to ensure Canada's well–being and prosperity.

We are listening to Canadians. We hear that a fair taxation system should be introduced, cuts to services should be implemented, that duplication should be avoided and most important, that those in need should not suffer through this exercise but rather be strengthened by it.

* * *

[*Translation*]

DEFICIT REDUCTION

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, even though the reason interest rates have gone up is that the Minister of Finance has not taken any deficit–fighting action for a year now, he is bragging that he will be able to reach the gigantic deficit goal of $39.7 billion.

The minister's strategy is extremely obvious. To reach the enormous deficit goal of $39.7 billion, he plays with numbers at the expense of the unemployed. In fact, he is using the surplus in the unemployment insurance fund to reduce the government's deficit.

The Minister of Finance not only is using this surplus to reduce this year's deficit, but now that 11 months have passed by, we can see that he also overestimated the 1993–94 deficit by close to $4 billion in his last budget. All that to make people believe that the situation is improving. In reality, the minister is playing all kinds of games to mask his lack of action in the fight against the deficit.

* * *

[*English*]

NATIONAL LITERACY ACTION DAY

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, as one who left school too early and returned to get my grade 12 at the age of 28, I wish to mention a new study.

We have heard that 30 per cent of Canadian youth leave school. However a school leavers survey from September 1993 shows this has improved 18 per cent of 20–year old Canadians not completing high school.

Employment is related to school leaving, with employment in excess of 20 hours per week a big factor. Despite long hours in blue collar and service jobs, hundreds in my riding of Okanagan—Shuswap are attending an alternate education program called "The Open Door", open until 9.30 p.m. weekdays. Since it started three years ago school leavers have completed 338 courses.

Last week I had the pleasure of speaking there. Today on National Literacy Action Day I applaud "The Open Door" and the hard working people walking through it to a better future.

* * *

AIRPORTS

Mr. Glen McKinnon (Brandon—Souris, Lib.): Mr. Speaker, the House is aware that the Ministry of Transport has introduced new long term regulations and guidelines for local regional airports.

To increase understanding I was active in facilitating an airports conference in Brandon, Manitoba on February 7 and 8, 1995. The main conference objective was to bring together stakeholders from central Canada to discuss the challenges of assuming ownership and operation of community airports.

I can confidently say the majority of 91 participants left the Brandon Airports Conference respecting the minister's efforts of establishing a more affordable, integrated, efficient and competitive transportation system that still remains safe, secure and accessible.

My thanks to the inspired participants, informed speakers and my staff for making the conference such a great success.

* * *

HOUSE OF COMMONS

Mr. John Harvard (Winnipeg St. James, Lib.): Mr. Speaker, Canadians were shocked yesterday when they learned that almost all Reform Party MPs did not make time to attend solemn

observance of the 30th anniversary of Canada's flag. In fact I saw only one Reformer there.

Perhaps it is because they wanted to stay in their offices preparing to sing our national anthem on the floor of the House of Commons. Perhaps they were just too busy getting ready for another event which took place last evening.

I was one of many members who accepted an invitation to attend a reception by the Canadian Restaurant Association, a wonderful event where guests are served tasty delights from every Canadian province.

Included in the crowd were many Reform Party MPs who appeared to be having the time of their lives. Their usual sanctimony was gone. There was no evidence of the parsimonious, frugal, grassroots politicians. They came to eat, drink and be happy. On that, I think everybody can agree.

* * *

CANADIAN FLAG

Mr. Harbance Singh Dhaliwal (Vancouver South, Lib.): Mr. Speaker, yesterday was the 30th anniversary of our maple leaf flag.

Our flag is a proud and distinct international symbol. It is recognized and greeted with warmth all over the world. Canadians can be seen wearing the maple leaf on their backpacks while travelling abroad. Even some Americans have been known to wear our flag while travelling.

The maple leaf flag unites us from coast to coast. The flag is one of the things that encompasses all Canadians despite our varied regional characteristics.

Yesterday in communities all across Canada there were flag raising ceremonies, speeches and school assemblies. Canadians from all races and religions celebrate the flag together.

I congratulate and welcome the three new members elected to represent their constituencies and our flag. Today I ask all my colleagues to reflect on the significance of our maple leaf flag and its meaning to all Canadians.

* * *

[*Translation*]

30TH ANNIVERSARY OF CANADIAN FLAG

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, yesterday the minister of heritage made a very clumsy attempt at camouflaging the federal government's prereferendum propaganda by literally plastering Quebec with posters on the 30th anniversary of the Canadian flag, at a cost of over $1 million.

• (1405)

Today's *Toronto Star* confirms that more than half of these propaganda posters are for Quebec, despite the minister's statement that only 30 per cent of them would be put up in that province.

Why will the minister not simply admit what the federal government's goal is in lavishly celebrating this anniversary, in using all available means to try to influence Quebecers on the eve of the referendum and in trying to artificially instill in them a fleeting feeling of Canadian identity?

* * *

[*English*]

BILL C–263

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, I rise today on behalf of the constituents of Okanagan—Simikameen—Merritt to remind my colleagues that Bill C–263, which I introduced in the House, will be debated today.

Bill C–263 is an act to amend the Financial Administration Act and will bring five crown corporations under part X of the act. The five corporations are the Canada Council, the Canadian Film Development Corporation, the Canadian Wheat Board, the International Development Research Centre and the National Arts Centre Corporation.

The bill intends to bring accountability to these five corporations through allowing the Auditor General to conduct special examinations, a value for money audit every five years, as the Auditor General's office does regularly with other departments in the public service.

This matter concerns accountability. It works toward reducing waste, improving requirements for planning, improving strategy and cost systems. In short, the bill will ensure that five crown corporations are following good management practices.

I encourage all members to support Bill C–263.

* * *

TRANSPORTATION

Mr. Vic Althouse (Mackenzie, NDP): Mr. Speaker, I have a proposal for the Minister of Transport who says he wants to rid himself of the financial obligations for the Crow benefit. He also says he wants to get rid of the Canadian National Railway.

Since the present value of the Crow benefit obligation is somewhere between $7 billion and $9 billion, sums which the government is hard pressed to find, why does the minister not offer prairie farmers the CNR (North American) as at least a partial payment of the Crow obligation?

While CN's net worth is considerably short of the Crow obligation, it could be a start toward providing a means of connecting farm fields with sea ports in a way that satisfies both Canadian needs and international obligations under the GATT.

Such a proposal leaves farm people with some control over export costs since it allows them real choices in striking a balance between viable railways and viable farms, something the minister has not considered so far.

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[*Translation*]

30TH ANNIVERSARY OF CANADIAN FLAG

Mr. Nick Discepola (Vaudreuil, Lib.): Mr. Speaker, it is my great honour to speak on behalf of my fellow Quebecers on this occasion of the thirtieth anniversary of the Canadian flag. Internationally, the Maple Leaf is a symbol of generosity, democracy and freedom. At home, it symbolizes strength, unity and pride.

The past thirty years have seen profound changes in Canada. Rather than passively submit to these changes, our country has shaped and adapted them to the principles and values of tolerance, justice and fairness that we hold dear.

Canadians from coast to coast proudly display our majestic red and white flag. Businesses spend thousands of dollars to develop a trademark, but Canada has the finest trademark in the world, the Maple Leaf.

Long may it fly! Long live Canada!

* * *

[*English*]

LITERACY ACTION DAY

Mrs. Eleni Bakopanos (Saint–Denis, Lib.): Mr. Speaker, today is Literacy Action Day. Since 1990, the Year of International Literacy, government, business, labour and voluntary sectors have been working together to find ways to solve this problem.

The Canadian Commission for UNESCO's International Literacy Year's objective is to eradicate illiteracy by the year 2000.

Despite ongoing struggles as many as 963 million people, 26.9 per cent of the world's people, remain illiterate. Thirty–eight per cent of Canadian adults have some difficulty dealing with the reading requirements of everyday life.

[*Translation*]

I would like to pay tribute to three organizations in my riding who are fighting relentlessly against illiteracy. They are the Haitian community action and social affairs centre, the Villeray literacy centre known as La Jarnigoine, and the new immigrants' centre known as Le Centre N–A Rivé.

Education is the key to freedom. Let us continue to work together to eliminate illiteracy.

* * *

• (1410)

[*English*]

GUN CONTROL

Ms. Mary Clancy (Halifax, Lib.): Mr. Speaker, on February 4 the Ottawa *Citizen* reported that some hunters savagely killed their hunting dogs by slashing their throats or shooting them at point blank range because the dogs were no longer useful at the end of the hunting season.

Recently the Ontario Federation of Anglers and Hunters responded to this article saying that the federation has advocated mandatory identification of hunting dogs for many years. The federation takes this position so that hunters would be discouraged from abandoning their responsibilities as dog owners and to ensure that lost dogs are returned to the owners.

As we begin the debate on gun control in the House of Commons, I call on the hunters who oppose any firearm registration to help us create a safer Canada and not only support registration of dogs but the registration of guns because, like dog owners, gun owners sometimes abandon their responsibilities, resulting in the loss of life. It is our responsibility as lawmakers to discourage this.

* * *

[*Translation*]

JOB CREATION

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, on February 6, the Minister of Finance boasted that more than 438,000 jobs had been created in Canada and that this was the best performance in a decade. Unfortunately for Canadians and Quebecers, Statistics Canada's annual figures are nowhere near this level. In fact, 261,000 jobs were created in 1994.

If we compare these figures with those recorded at the end of the early 1980s recession, last year's 261,000 jobs should be compared with an average of 347,000 jobs created annually between 1985 and 1988. The minister has nothing to brag about.

Especially since, with the increase in population, 825,000 jobs would have to be created to return to prerecession employment levels.

* * *

[*English*]

AIRBORNE REGIMENT

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, most Canadians' sense of fair play was offended when the airborne regiment was ordered disbanded. They saw this action,

rather than being based on factual evidence, as an emotional overreaction to amateur videos.

A whole regiment laid low for the misbehaviour of a few. Humiliation for the several hundred remaining members of the airborne as well as every serving or retired member who ever saw duty with the regiment.

Families: wives, daughters, sons, who proudly associated themselves with the regiment now feel tarnished by this ignominious end to their unit. A professional, highly trained and motivated force which should be remembered for claiming the dominion of our north; for the deep respect earned while on duty in Europe and in the Middle East; and for the humanitarian relief provided across many continents. Government, attempting to appear decisive, has made an inappropriate decision.

A proud and capable regiment has been lost from the order of battle and the Canadian taxpayer burdened with a large and unnecessary expense.

* * *

DECADE OF LITERACY

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, this decade of the 20th century has been declared by the United Nations as the Decade of Literacy. This is a time to raise our awareness of those Canadians who can neither read nor write.

It is a disturbing fact that nearly three million Canadians are unable to function with basic literary skills. We are now halfway through the Decade of Literacy and inroads are being made by groups like the Movement for Canadian Literacy and ABC Canada.

Learning to read is a golden key which unlocks the door to creativity and independence. One of the greatest satisfactions of my entire life was teaching an adult male to read. He trusted me enough to share his dark secret that he had been faking it. Privately we persisted and a few months later he was on his own, actually reading the daily newspaper. The joy was like the miracle of restoring sight to the blind.

I encourage anyone hearing my voice today who cannot read to take action to seek the help in learning the greatest joy in life, the joy of reading.

* * *

[*Translation*]

FRANCOPHONES OUTSIDE QUEBEC

Mr. Raymond Lavigne (Verdun—Saint-Paul, Lib.): Mr. Speaker, on January 19, the PQ government decided to close Quebec's office in Edmonton, thus forcing francophones in the three Prairie Provinces and the Northwest Territories to turn to the Vancouver and Toronto offices for assistance.

• (1415)

On May 27, 1994, the leader of the Bloc Quebecois unveiled a policy on francophone and Acadian communities, claiming that after achieving sovereignty, Quebec would strengthen the role of its offices across Canada in promoting Quebec's co–operation programs.

Who is right? The leader of the Bloc Quebecois who wants to make more assistance available or the separatist PQ government which closes offices and cuts services to francophones outside Quebec?

ORAL QUESTION PERIOD

[*Translation*]

FEDERALISM

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, my question is for the Prime Minister. In a prereferendum speech to the Metropolitan Quebec Chamber of Commerce, the Minister of Foreign Affairs said, and I quote: "—no one in Canada is going to discuss the status quo. There will be no more status quo. There will be major changes—".

Does this statement by the Minister of Foreign Affairs mean that the Prime Minister has changed his mind and that his government will now support major changes in the way federalism operates, this after doggedly defending the status quo?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the Minister of Human Resources Development is introducing major changes in the way unemployment insurance and social programs operate. Who is opposed to these changes? Who wants to keep the status quo?

An hon. member: The Bloc Quebecois.

Mr. Chrétien (Saint–Maurice): The Bloc Quebecois, exactly.

When the Minister of Finance suggests ways to improve our society, who wants to keep the status quo? Always the Bloc Quebecois.

Our federalism is flexible. We will make some adjustments, but we do not have to change the constitution to make those adjustments. We must be practical and tackle one problem at a time, in the best interests of all Canadians.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, seriously. The Prime Minister should take this seriously.

If it is so easy to transform Canada by signing administrative agreements and if the Prime Minister is sincere about this, could he explain why, fifteen months after his party came to power, he has yet to recognize the unanimous demands for full jurisdiction

over manpower training from all stakeholders in Quebec? All stakeholders in Quebec are asking him to withdraw from this area of jurisdiction. If it is so easy and if he is so serious about it, why has nothing been done? Why?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we have made several offers to the Government of Quebec. We have offered to simplify the system, as the Minister of Intergovernmental Affairs said. We could not offer everything they wanted, but we offered half a loaf.

Since these people want to maintain the status quo, they will not consider accepting anything else. Right now we are signing harmonization agreements with Canada's nine other provinces, except the Government of Quebec that wants to keep the status quo. We are not maintaining the status quo. They are.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, may I remind the Prime Minister that the Quebec Premier who turned down the agreement with the Liberal government was the former Liberal Premier of Quebec, the Prime Minister's partner on the no committee for the Quebec referendum?

Will the Prime Minister admit that this manoeuvring by his Minister of Foreign Affairs was an attempted rerun of the referendum speech by Pierre Elliott Trudeau in 1980?

• (1420)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, Quebecers must have liked Mr. Trudeau's speech, because they voted 60 per cent in favour of staying in Canada, and this year, Quebecers will again listen to the people in Quebec who want to stay in Canada. Apparently, on the evening news tonight, we will be told that it is even better than last time. Two or three months away from the referendum, they are at least 15 points behind where they were in February 1980.

Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ): Mr. Speaker, what has stuck in the mind of Quebecers about Pierre Elliot Trudeau's 1980 speech is that promises were not kept.

An hon. member: And unilateral patriation.

Mr. Duceppe: In his speech, the Minister of Foreign Affairs announced that, from now on, the federal government would concentrate on areas of federal jurisdiction, recognizing implicitly that duplication and overlap had become common practice in Ottawa, when he said: "We will review this matter and focus on areas of federal jurisdiction."

My question is for the Prime Minister. Now that his Minister of Foreign Affairs has announced that the federal government will no longer encroach on areas of provincial responsibility, will the Prime Minister indicate from which areas Ottawa plans to withdraw?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we have offered on several occasions to withdraw from forestry agreements for example, but Bloc members would rise in this House and ask that we go on providing funds for Quebec forests. Questions were put to us on this subject.

Some hon. members: Oh, oh.

Mr. Chrétien (Saint–Maurice): It is always the same thing. They want us to withdraw, but at the same time they want us to continue paying. If we withdraw, we withdraw. The problem is they want to have their cake and eat it too. They want us to collect taxes for Quebec to spend as it pleases. Well, from now on, we will spend our own money and they can spend theirs.

Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ): Mr. Speaker, if the Prime Minister wants his remarks to be taken seriously, could he clearly identify the areas from which he intends to withdraw, as well as the federal departments and agencies that will be abolished to eliminate the costly duplication referred to by the Minister of Foreign Affairs, who is incidentally the minister responsible for Quebec?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we are working day in and day out with the other provinces to try and eliminate duplication. In many areas, there is no duplication. Take income tax for example. In every other province, there is only one level of government collecting.

Duplication comes from Quebec deciding to have its own ministry of revenue collect personal income tax, unlike the other provinces. You know, it does not cost Ontario anything to collect its provincial income tax, because a line was added to our tax form for that purpose, while in Quebec a separate report has to be filed. Hundreds of millions are spent unnecessarily because of this. Duplication often comes from the other side.

* * *

[*English*]

FINANCE

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, just a few hours ago Moody's bond rating service announced it will review Canada's foreign debt rating and also Canada's AAA domestic rating. Moody's is not only sending the government a wake–up call, it is ringing the alarm bell.

Will the Minister of Finance finally acknowledge that the markets are rejecting his deficit reduction targets as inadequate and that Canada's debt and deficit situation is much more serious than he or the Prime Minister has led us to believe?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, Moody's certainly could have waited until the government brought down its budget.

When the government brings down that budget the financial markets will see very clearly this government has kept faith with what it said in its pre–election campaign and in the last budget.

We have repeatedly said that we will fulfil our obligations, we will live up to our commitments, we will hit our targets. In terms of this year's deficit, I am here to tell you we have done a hell of a lot better.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the minister and the members opposite just do not get it. When one of the world's largest bond rating agencies will not wait two weeks to get the minister's budget, it is telling him that his targets are not only unbelievable, they are unacceptable to the money markets. That is the message they are trying to send to the minister.

• (1425)

Will the minister simply accept the fact that his deficit reduction targets are inadequate and commit to eliminating the deficit within the life of this Parliament, which is what the money markets are asking?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, last year in the months that followed the budget the leader of the third party kept standing up and saying that we would never hit our targets, that they were too tough, that we would never get there, that the sky was about to fall, that Chicken Little had a lot of trouble.

Why at least does the leader of the Reform Party not have the decency to stand up today and congratulate the government for having done what he said we never could do?

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, to congratulate the minister on hitting that target would be like congratulating a high jumper for getting over the bar when it is at three feet.

We are wondering whether the minister and the government ever learn anything from the experiences of others. The government and this minister are going down exactly the same fiscal path as the NDP Government of Ontario. First it denies the situation is serious, then a half–hearted attempt at tax increases to deal with it, then in the final analysis come to cut spending after it is too late.

Is it really the minister's ambition to become known as the Bob Rae of federal politics?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, last October the government provided a very accurate analysis of this country's financial situation. It was an analysis praised by the financial markets. It was an analysis praised by the great majority of economists. It was an analysis praised by those of the Reform Party who understand economics, who basically said it was an accurate analysis. Is he about to now deny that which his colleagues said?

Let me tell the House something. I know it is hard for this member to accept some good news. This country is leading the G–7 in growth, leading the G–7 in employment, leading the G–7 in controlling inflation.

For the love of heaven let me say today, manufacturing shipments in this country were up 1.6 per cent in December and 12—

Some hon. members: Hear, hear.

* * *

[*Translation*]

FEDERALISM

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, my question is for the Prime Minister.

The government's pre–budget public relations exercise, including the speech made by the Minister of Foreign Affairs, is an attempt to convince Quebecers that the government is about to decentralize the federal regime.

Does the Prime Minister agree that true decentralization requires a transfer of tax resources, including tax points, so that the provinces can take over from the federal government?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I would like to be in a position where someone else would collect taxes on my behalf, so that I would not have to do it myself. Tax collection is a part of political responsibility. If they want us to decentralize, fine. However, they were happy to let us collect taxés, and take the blame for it, and then get the money from us. In the context of responsible government, it would be better if everyone collected his own taxes. The situation would be clearer for everyone.

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, that is precisely what we are asking, namely that the federal government withdraw from these tax fields. We will do the job ourselves.

Does the Prime Minister agree that this renewed Canada, which he is predicting, is nothing more than an attempt to hide the fact that the federal government continues to dump the costs of social programs on the provinces?

• (1430)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I can see that the Bloc members are in disarray because they realize that our flexible federalism approach is working very well. If they knew a bit about history, they would know that, a few years ago, the federal government collected over 60 per cent of the taxes in this country, while incurring close to 60 per cent of the expenditures.

Now, the figures are reversed. Indeed, the provinces, which used to collect 40 per cent of all taxes, now spend and collect 60 per cent of the money. The federal government is currently collecting 40 per cent, a proportion which is diminishing. Thus, the situation changed considerably over the last ten years, even without any constitutional amendment.

* * *

[*English*]

CANADA PORTS CORPORATION

Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.): Mr. Speaker, the age old problem of patronage under the former Tory government is well known. Now it is coming back to haunt the new masters of patronage, the Liberal government.

Most recently Canada Ports Corporation chairman Arnold Masters has reportedly abused his expense account, billed an unreasonable amount of work and doctored the minutes of the corporation's board of directors.

Now it has been revealed that nearly 50 top executives of shipping companies from Vancouver to Halifax have written to the Minister of Transport calling for Masters' immediate resignation.

When will the Minister of Transport take action on these abuses, take the advice of the Canadian shipping industry and demand the resignation of Arnold Masters?

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, there is no doubt that this is a serious matter.

Because we try to pay attention to the advice that is given by members of the third party in the House, in situations such as this one where serious allegations have been made and there is a call for drastic action we want to take some time to make sure we do the right thing.

The hon. member would know, as many of his colleagues have said on another matter that has been the subject of a great deal of discussion in the House, a person does not want to act rashly in these matters.

Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.): Mr. Speaker, the minister has already claimed to be waiting on a report from the transport committee's study of marine policy before he takes any action.

The purpose of that study is to consult with users to determine how they want their port system changed to make it more viable. Those users have spoken and they have spoken loudly against Arnold Masters.

With this kind of unified opposition, when is the Minister of Transport going to act?

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, as the hon. member indicated, the appointment of the gentleman in question was made by the previous government. He has been in office for several years and had acted as a director prior to that. We understand the importance of making sure that the operations of Canada Ports are done efficiently.

There have been questions raised by the hon. member and others at hearings of the Standing Committee on Transport. We are going to review the matter very seriously, but I want to emphasize that the Standing Committee on Transport, mandated by the House to look into the whole area of the operation of Canada Ports, is meeting across the country right now and will have an opportunity to hear from these people who signed their names to a letter. They can make their allegations directly before the committee.

Perhaps, if the hon. member has any other information that he wishes to make known to the Canadian public, he might want to step outside and make whatever allegations he wishes to make.

* * *

[*Translation*]

HEALTH

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

Pointing to the massiveness of the system, the Minister of Foreign Affairs said that Ottawa would work to eliminate overlap and duplication. It would therefore be devoting its efforts to areas under its jurisdiction. Under the constitution, health is a provincial matter.

To demonstrate his good faith, does the Prime Minister intend, as logic would dictate, to abolish the national forum on health that he chairs?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, health is a complex issue, and we have a responsibility in this area. We set up a national health service in Canada, which all Canadians and a large majority of Quebecers continue to support. It guarantees free health services to all Canadians and ensures that there will not be two categories of hospitals in Canada and Quebec—one for the rich, and one for the poor.

We wanted to ensure dignity, in Canada, for all who are sick. This is why the federal government stepped in. Canada's health system has set an example for the world, and the Americans would like to have it right now.

• (1435)

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, are we to understand from the Prime Minister that his "new" Canada in health matters simply means that Ottawa will force the provinces to meet ever more stringent national standards while cutting transfer payments to them and leaving them with the financial burden?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we decided to try to improve the systems. As I was saying earlier, we have succeeded in signing agreements with all

the provinces to eliminate duplication. The only government that does not want to sign an agreement with us in an attempt to identify areas of duplication which could be eliminated is the government of Quebec, because it wants to use the status quo for its purposes. I just hope they will hold a referendum soon, ask an honest question, so that the blackmail business will be over with.

[*English*]

CANADA COMMUNICATION GROUP

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, the Canada Communication Group has been recommended for privatization, yet unbelievably the President of the Treasury Board has extended the workforce adjustment directive giving the employees of CCG guaranteed job protection. This is the very same workforce adjustment directive the minister is attempting to eliminate from other federal employees.

Why would the minister extend a policy that guarantees these federal employees job protection when the recommendation is to get rid of the agency?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, we have said before in the House that we are going through a downsizing. Part of that downsizing will require that different programs and services are curtailed or completely removed from what we provide to Canadians. That is part of getting our deficit reduction targets met.

In the course of doing that it will be necessary to downsize the public service, but we will be treating our employees in a fair and equitable fashion in doing that, whether they are part of that agency or any other part of the government.

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, my question was: Why give them the protection of the workforce adjustment agreement when we are trying to downsize the government?

Will the President of the Treasury Board assure the House that he will rescind the most recent extension of the workforce adjustment agreement and that there will be no further extensions of the policy, as he admits, while we are downsizing the government?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, as it applies to the particular agency the hon. member is mentioning, I would have to repeat what I am saying in terms of the public service overall.

[*Translation*]

REGIONAL DEVELOPMENT

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Mr. Speaker, in his speech to the Chambre of Commerce of Metropolitan Quebec, the Minister of Foreign Affairs and minister responsible for Quebec stated that the government must concentrate less on regional development and focus instead on helping small business.

Can the Minister of Finance, minister responsible for regional development in Quebec, confirm his government's intention to withdraw from regional development and focus exclusively on helping small business?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, it is quite obvious that the best way to go about regional development is to help small business. That is truly where most new jobs are created. I am not the only one to say so, so do local authorities in Quebec, as well as the provincial government, the parent company.

Mr. Gaston Leroux (Richmond—Wolfe, BQ): I have a supplementary question, Mr. Speaker. If it is clear, given that Quebec has adopted a general strategy for regional development, including assistance to businesses, would the minister not agree that, in the interest of avoiding all duplication and overlap, as the Prime Minister has said, he must recognize Quebec as the sole authority in terms of regional development, including assistance to businesses?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, not only do I disagree with the hon. member's hypothesis, but I say that, having discussed the matter with the current Government of Quebec, the current government does not agree with the hon. member's hypothesis.

* * *

• (1440)

RAILWAY SAFETY

Mrs. Georgette Sheridan (Saskatoon—Humboldt, Lib.): Mr. Speaker, my question is for the Minister of Transport.

Yesterday, he tabled a report entitled "On Track" from the committee reviewing the Railway Safety Act. Can the minister tell us when he will be in a position to respond to the report's recommendations?

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, the hon. member has mentioned a very major report

that is quite long. First off, I would like to thank those who wrote it. The government is currently preparing its response to the many recommendations, a good number of which are very broad in scope, and we should be able to publish that response within 90 days.

* * *

[*English*]

IMMIGRATION

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, on September 24 of last year in my constituency, Catherine Evenson, a beautiful young lady who was confined to a wheelchair, was raped in her home. The man facing rape charges is a refugee and is now trying to cement his stay in Canada by applying for permanent resident status.

Will the minister of immigration intervene in this case and ensure that no permanent status in Canada is considered until the case is heard and the verdict is handed down?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I have no specific details of the case. I appreciate the hon. member raising it. I will give her my word that certainly I will have officials look into the case.

It is also a good reason, rather than simply dealing with individual cases, to have had Bill C–44 approved at third reading. It attempts to make the system better so that we minimize any such horrible cases we hear about.

I was somewhat distraught that the Reform Party, which relishes bringing case after case to the floor of the House of Commons, did not see fit to support Bill C–44.

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, I assure the minister that I have been in constant contact with his office on the matter as well as with the Solicitor General's office. I also stress that I am assured Bill C–44 will do nothing to help this case at all.

I thank the minister for his response. I assure him that today this young woman and her family are listening to and watching these proceedings. Would the minister please notify me as soon as a decision is made?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, as I said in my first answer, I would be happy to look into the file. I can appreciate that the hon. member has been in touch with officials of my department, but as any member can appreciate no minister can be on top of the thousands of cases across the country.

The hon. member, with all due respect, is absolutely wrong if she and her colleagues believe that Bill C–44 will not improve the system's capacity to keep those individuals from getting protection and allowing those legitimate cases to be accepted in our system. I ask her and her colleagues to change their minds about Bill C–44 because it would help Canadians and the system.

* * *

[*Translation*]

OFFICIAL LANGUAGES

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, my question is for the President of the Treasury Board. The Official Languages Commissioner published a study this morning on services in the minority official language offered to the public in designated federal offices. Among other things, the study found that in Quebec, service in English is available 98.8 per cent of the time, while in the rest of Canada, 28 per cent of all designated offices still do not provide service in French.

How can the President of the Treasury Board justify that, more than two years after a regulation was passed on the issue, over one in four francophones outside of Quebec are unable to obtain federal services in their language?

[*English*]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, even while the official languages commissioner was undertaking his survey the Treasury Board was consulting with managers in offices across the country to help ensure that they were carrying out their obligations under the Official Languages Act.

Furthermore, we have assembled information that we have provided to Canadians through minority language newspapers across the country so that they know where to find the offices and who to contact to be able to get services in the language of their choice.

• (1445)

Finally, let me say that this government is solidly committed to quality services in the official language of choice by Canadians and in meeting its obligations under the Official Languages Act.

[*Translation*]

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, given the alarming increase in the assimilation rate of francophone and Acadian communities in Canada, how can the minister justify the slow pace with which the government has made its services available to francophones in the language of their choice? Is bilingualism a sham?

[*English*]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, the official languages commissioner said that in 79 per cent of cases across the country the service was available and that 92 per cent of the time it was good quality service that was being provided.

We are not satisfied with those numbers. We are not satisfied with anything short of 100 per cent in meeting our targets under the Official Languages Act.

* * *

GUN CONTROL

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, yesterday the Minister of Justice could not or would not answer how a national gun registry program would reduce crime. If the minister could show this evidence to support registration, most Canadians would probably support it.

Will the minister provide this House with evidence that shows how a national gun registry will save lives and reduce the criminal use of firearms in our communities?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, if anyone has questions to answer about their position on gun registration surely it is the Reform Party of Canada. The very party that styles itself as the party of law and order opposes a measure that the police want in this country. The very party that styles itself as the party of the people is against a measure that poll after poll shows is supported by the vast majority of Canadians.

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, for Canadians who are concerned about the cost of firearms registration and for Canadians who are concerned about crime on the streets using firearms, would the minister give them the statistics that confirm a national firearms registration program will save lives and will reduce the criminal use of firearms?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, time and again the police chiefs of this country tell us that a registry system will help us stop the traffic in illegal arms at the border. It will help us ensure that the number of firearms lost and stolen every year and end up in the hands of criminals is reduced. Time and again they tell us they need registration to enforce court orders that prohibit people convicted of crimes of violence from possessing firearms. I will take the word of the chiefs of police on that question.

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ORDER IN COUNCIL APPOINTMENTS

Mr. Ian Murray (Lanark—Carleton, Lib.): Mr. Speaker, my question is for the Minister responsible for Public Service Renewal.

The minister announced today that hundreds of governor in council and ministerial appointments will be eliminated as a result of the agency review. I agree that this overhaul of boards and commissions is long overdue, but is it all just window dressing or will this initiative bring real savings for Canadian taxpayers and help put an end to political patronage?

Mr. John English (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, I must thank the hon. member for his question. It allows me to comment on the agency review report which was released today. The report looked at 400 commissions, boards and agencies and 120 were affected, 73 were wound up, 47 were restructured and no less than 665 governor in council positions were abolished.

To give members an idea of the scope of this review, since this government was elected, it has appointed approximately 700 persons to governor in council positions, 100 of which were reappointments. In short, the government has abolished more governor in council positions than it has appointed new persons to such positions.

We are bringing efficiency and fairness to government.

* * *

• (1450)

[*Translation*]

NATIONAL PORTS

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, my question is for the Minister of Transport. Forty maritime organizations and businesses have asked the Minister of Transport to dismiss the chairman of Ports Canada's board of directors, Arnold Masters, from his duties. Just a few minutes ago, the minister said that he had to wait for a report from the transport committee before he could take action.

How can the minister wait for the report from the transport committee before taking action in this matter, since the committee has no mandate to review Mr. Masters' case?

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, what a revelation: the hon. member will now wait for a mandate before raising such issues. When I appeared before the transport committee, the hon. member, instead of dealing with the problems affecting the transportation system across the country and proposing solutions, went on and on about Mr. Masters. With or without a mandate, the hon. member always knows where to dig.

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, since Mr. Masters is completely discredited in the eyes of the Canadian maritime industry, why does the minister not suspend him immediately now that the allegations are out in the open?

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, I indeed received a letter signed by several stakeholders in the industry asking me to replace the gentleman in question. However, as far as I know, the allegations are based on

comments which so far are not supported by any evidence of criminal or fraudulent activities.

I wish to emphasize that we are, of course, reviewing the situation because it is important. Unless the hon. member has specific evidence to submit to us which would point to unacceptable behaviour on the part of Mr. Masters involving criminal or fraudulent activities, I would appreciate it if the hon. member exercised his right to make these accusations outside this Chamber instead of staying here where he is protected.

* * *

[*English*]

TAXATION

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, my question is for the Minister of Finance.

The minister is well aware that virtually all of the OECD countries now have an inheritance tax for people who inherit, say, sums of money over $1 million. This would generate hundreds of millions of dollars in revenue at a time when revenue is much in need.

Can the minister tell us, is there some reason Canada does not have an inheritance tax like virtually every other OECD country?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I will answer the question as asked concerning the reasons for not having one. I interpret this question to be not related to the budget, but simply seeking information.

The reason is that we in Canada, unlike other countries, have deemed capital gains disposition on death, which roughly equates to an inheritance tax. Another reason is that we have much higher property taxes than do many other countries. It is felt that does the case. Also, the principal interest most Canadians have is their main residence, which as the hon. member knows, is not subject to capital gains tax and would not be subject to any kind of a wealth tax.

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, that is why I suggested a ceiling of $1 million would be a useful guideline. It would get around the matter of one's principal residence.

The minister has said that not many poor people use tax loopholes. I suggest that not many poor families use family trusts. Can the minister explain to the House of Commons and the people of Canada why a country like Canada would continue to have in its tax system a provision that caters virtually exclusively to the wealthiest families in Canada?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, as the hon. member knows, family trusts are also used by many small businesses in order to make sure the business can pass from one generation to the other. Where objections have been raised to family trusts is where it really does entail undue tax advantage for those who are using it. This was a position that many on this side of the House took when in opposition and it is a position that is certainly supportable in debate.

* * *

• (1455)

ABORIGINAL AFFAIRS

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development.

Many Indian people in my riding are expressing deep concern that the federal government is about to sign a self-government agreement with Gitksan Indian leaders. Their concerns relate mostly to the fact that elected band councils will disappear and will be replaced by an unelected and unaccountable hereditary chief system.

Can the minister confirm that the federal government will not now or in the future allow such a system of government to gain power in Canada?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, no, I cannot.

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, if the minister cannot answer my question perhaps the Prime Minister can.

Will the Prime Minister of Canada as the leader of the government guarantee that his government will never sanction undemocratic Indian governments of any kind in Canada?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I can assure the member that the Government of Canada will never sanction undemocratic governments of any nature.

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ATLANTIC GROUNDFISH STRATEGY

Hon. Roger Simmons (Burin—St. George's, Lib.): Mr. Speaker, my question is for the Minister of Human Resources Development.

The good news is that 27,000 Newfoundlanders are benefiting from the TAGS program. The bad news is that many hundreds of fishermen and plant workers, all of whom have had a long work attachment to the fishery, are being deprived of benefits. I say to the minister that the culprit is the appeal process. There are rumours, for example, that more than 95 per cent of second level appeals are being rejected by HRD officials.

What is the minister doing to ensure that the appeal process is fair?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I want to express my appreciation to the hon. member and other members of the Atlantic provinces and Quebec who have been working very closely with us to ensure that those who are eligible will be able to receive their benefits under the TAGS program.

We understand there are some difficulties being faced by the appeal process. The latest records are that about 75 per cent of the appeals are being recommended, but there are some difficulties which the hon. member and others have brought to my attention.

I have been working closely with the minister of fisheries. I can make a commitment to the hon. member that we will have a correction of the appeal process within the next two weeks.

* * *

[*Translation*]

IMMIGRATION

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, my question is for the Minister of Citizenship and Immigration.

Since 1986, Portuguese nationals need visas to visit Canada. Portugal is the only EEC country to which such a restriction applies.

Does the minister, who stated in 1986 that, by imposing visa restrictions on Portuguese citizens, we were doing a disservice to a European country and an ally, agree that this is a discriminatory and unjustifiable measure which must be lifted as soon as possible?

[*English*]

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I thank my hon. friend for raising a question on an important policy issue. Members should be very well aware that the federal government has already seen fit to lift visas in a number of countries throughout the world.

Some months back we lifted the visa restriction on Hungary. During his trip to South America the Prime Minister made an announcement that no longer will Chile, a country the member knows well, have a visa restriction.

We are making progressive moves but it is a two way street. When we lift visa restrictions we also want to make sure that our system is protected with respect to documentation as well as visits from individuals from that part of the world. Where they meet our conditions we can make such moves, as we have in the past.

• (1500)

JUSTICE

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, my question is for the Minister of Justice. This morning I had the pleasure of introducing a private member's bill to the House which would have the effect of amending the Criminal Code to make dangerous intoxication a criminal offence. This would prevent people from hiding behind the charter of rights and freedoms to get away from their own responsibility for offences committed while drunk.

Will the minister take this bill, make it a government bill and try to get all–party support for this very important consideration that all Canadians hold together? Most people in Canada cannot understand why this loophole exists.

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I acknowledge the hon. member's initiative and I share his objective. I too have been at work on this very subject.

The Department of Justice has its own approach to this very problem. I expect before too many days are out to be introducing government legislation to achieve the same objective.

The Speaker: We will have the usual question on the Business of the House. Then I will hear a question of privilege, a point of order and then I want to give a ruling a little later on another question of privilege.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, as customary, I would like to ask the Secretary of State for Parliamentary Affairs to let us know what the legislative menu for the coming week will be.

Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, we will continue with the consideration of Bill C–68 on firearms. Tomorrow, we will start the debate in third reading on Bill C–59 to amend the Income Tax Act.

[*English*]

On Monday we will debate third reading of Bill C–37, the young offenders legislation, and if there is any time left when this is finished we will resume consideration of report stage of Bill C–52.

Tuesday will be an allotted day. On Wednesday we will deal with second reading of the electoral boundaries readjustment bill and we will then resume consideration of Bill C–68.

There will be no ordinary sitting on Thursday but at three o'clock p.m. on that day there will be a joint meeting of both Houses in this Chamber to hear an address by the President of the United States.

* * *

PRIVILEGE

BILL C–68

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, I rise on a point of privilege and I appreciate the opportunity to be recognized today.

I take the point of privilege very seriously. After six years and some months in this Chamber I have never risen on a point of privilege, recognizing that to do so would mean that my rights as a member of Parliament were abused or the ability to do my job was somehow impeded by rules of this House or by actions that may have taken place elsewhere.

I rise today on a point of privilege to express my concern that my ability to do my job as a member of Parliament has been impeded by rules and regulations that exist in this place.

A bill before the House at the present time, Bill C–68, the firearms legislation, is a bill that in my constituency and elsewhere across Canada is of great interest. The bill has elicited a tremendous amount of letters and telephone calls over the last few months. The proposals that were brought forward by the government have been out in front of Canadians for several months.

As a result of those proposals being put forward to Canadians I have had a great many telephone calls and letters from my constituents asking to be kept informed of the progress of this bill and when the bill was printed and available in the House to supply those constituents with copies of that bill.

I have compiled a list of names in my constituency and tried to assess the number of letters that I received with regard to this bill.

• (1505)

I have calculated that maybe 200 or 300 copies of the bill would be required for me to distribute to the people who have expressed an interest in responding to this issue in front of all of us to provide me with their comments and backgrounds so that I can properly represent them and to communicate an intelligent review of the bill to the minister and the government.

On doing so I have contacted the Department of Justice for extra copies of the bill to provide to my constituents. I am told by the Department of Justice that I am limited to a handful of copies of the bill.

I contacted distribution of the House of Commons and I am told that there is a limited supply of the bill, that very few can be available to me. Only after all members are done getting their limited supply will I be able to have access to the few copies that would be left over.

Finally I took the bill along with a letter and some newspaper clippings to printing this morning to ask if it could produce some copies so that I could keep my constituents informed as they requested about the contents of this important bill.

I am told by printing that it cannot do it because the rules of the House of Commons specify that if the bill is available elsewhere, it cannot print it.

We have exhausted all the possibilities of the bill being available elsewhere. I do not want to be embarrassed in front of my constituents by being unable to provide them with copies of bills that I am debating in this Chamber.

I ask that my question of privilege be examined by the House and at the very least that I and members of Parliament who require copies of this bill to keep our constituents informed be allowed to have printed enough copies to satisfy our demands.

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, although I doubt that this is a question of privilege the issue brought to the attention of the House by the member is an important one.

A number of my own colleagues have approached me in my position as whip on the same issue. Perhaps more appropriately it would be a matter for the Board of Internal Economy to consider. If either that member or another member can make a formal request that we do that you, Mr. Speaker, and I and others who sit on that board could look at this issue and how to accommodate it.

For this to be a question of privilege, I suppose a member would have to be denied access to the information which of course he is not. There is a fee, quite a hefty one, for obtaining copies of the bill. I am informed that it is in the area of $10 a copy.

It is more appropriately a matter to be discussed by our board as an expenditure of the House. Perhaps in so doing we could see what we could do to accommodate at least some of the members or accommodate all members with a quantity of some sort to satisfy the demand that is expressed by this member and others who have brought it to my attention as well.

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, I appreciate the words of my hon. friend but recognizing that, it might be some time before the Board of Internal Economy would have an opportunity to address this. The matter is rather urgent. The legislation is before the House now.

Speaker's Ruling

Our constituents want to find out immediately what this bill involves. Perhaps, Mr. Speaker, you can assure members that this is not some item that might be put off indefinitely or for a few days even.

The Speaker: To the extent that I can give that assurance to all hon. members, I will surely give it. This would be a point that would be put on the agenda. I do not know whether I can talk to the Board of Internal Economy. I will defer to that and go back to the hon. member for Glengarry—Prescott—Russell for an answer to that question.

Mr. Boudria: Mr. Speaker, I guess I am really responding as the spokesperson for the Board of Internal Economy. I can assure my hon. colleague that he has my undertaking to bring it to the attention of the board as early as the meeting on Tuesday.

The Speaker: With agreement from hon. members we will proceed this way. If there is not agreement at the end of it all I will take this up again and I will get back to the House.

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POINTS OF ORDER

PROPS IN THE CHAMBER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, during question period the hon. member for Kootenay West—Revelstoke rose and put a question.

• (1510)

I am informed, although I did not see it as I could not see it from my seat, that on the television cameras it was quite obvious that he was holding a prop. The prop was in the nature of a sign posted on the back of the document or portfolio that he was holding. The document was clearly visible on television and contained a slogan that related to recent meetings on taxes in Canada.

The person who told me this saw it on television in the lobby. I was not in the lobby, I was in the House and could not see it from where I was sitting.

I refer to Beauchesne's sixth edition, citation 501:

> Speakers have consistently ruled that it is improper to produce exhibits of any sort in the Chamber. Thus during the flag debate of 1964, the display of competing designs was prohibited. At other times boxes of cereal, detergent and milk powder have been ruled out of order.

Citation 502 states:

> When a member produced samples of grain in the House, the Speaker deprecated the practice, saying, 'If we allowed hon. members to produce such exhibits, we would get ourselves involved in a position where perhaps all too often hon. members would want to table dead fish, herrings, or red herrings, damp grain or wild oats'.

This quotation from previous Speakers indicates the grave nature of this offence against the rules of the House and I ask the Chair to apply the proper discipline to the hon. member for Kootenay West—Revelstoke.

The Speaker: Perhaps there is a simple explanation. The hon. member is here now and perhaps he can explain it in a few words.

Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.): Mr. Speaker, it is my understanding that a prop is something that relates to the subject at hand. I held up my speech and I used a piece of stiff cardboard in order to keep the pages from falling over, as they will.

I will not display it now and further incur the wrath of the hon. member, but as it happens there was a label on the back, which we have on briefcases and everything else, which said "No more taxes. No more debt".

I can understand the hon. member's sensitivity to that. It was not my intention—

Some hon. members: Oh, oh.

The Speaker: I am glad we do not have the lash in our arsenal.

I would encourage all hon. members not to use props. The hon. member has explained that it was done inadvertently. I accept the hon. member's word.

* * *

PRIVILEGE

COMMENTS IN QUESTION PERIOD—SPEAKER'S RULING

The Speaker: I am now ready to rule on a question of privilege by the hon. member for Okanagan—Similkameen–Merritt, which he raised first on November 2, 1994 and then again on February 8, 1995.

On November 2 the member rose to complain that during question period the previous day the Deputy Prime Minister had breached confidentiality by quoting from a letter which the member had written on behalf of a constituent to the Minister of Canadian Heritage. He contended that by revealing the contents of this letter without his permission the Deputy Prime Minister had interfered with his ability to carry out his duties. He argued that his constituents would now wonder whether or not matters on which they sought his assistance could be kept confidential.

The Deputy Prime Minister responded that the letter was part of the public record of the Canadian Radio–Television and Telecommunications Commission.

On February 8, 1995 the hon. member again rose on a question of privilege to state that new information had come to light on the same matter. He explained that the constituent on whose behalf he had written had received a letter from the manager of correspondence and complaints at the CRTC. In that letter the

constituent was advised that under the terms of the Privacy Act, unless she requested otherwise, the hon. member's letter, sent on her behalf, and any other correspondence related to her complaint would become part of the licensee's publicly accessible file in early January.

The hon. member now argues that contrary to the statement of the Deputy Prime Minister his letter was not in fact a public document when the Deputy Prime Minister quoted from it last November and again requested that I review the matter.

• (1515)

[*Translation*]

The chief government whip then intervened and argued that what was at issue was a question of law and that the Speaker does not rule on such matters. He also added that if the hon. Member had a complaint with the CRTC, there were other avenues by which he could pursue it.

Let me first address the matter of whether or not the member's letter to the Minister of Canadian Heritage was a public document and therefore able to be quoted from in debate. Beauchesne's Sixth Edition, page 151, citation 495(7) states:

> When a letter, even though it may have been written originally as a private letter, becomes part of a record of a department, it becomes a public document, and if quoted by a Minister in debate, must be tabled on request.

[*English*]

From this, I must conclude that the letter from the hon. member to the minister was in fact a public document and therefore could be quoted from in the House.

It is not for me to decide whether or not, as the Deputy Prime Minister stated, the letter was part of the public record of the CRTC. The application of the Privacy Act and the laws and policies governing CRTC dossiers are beyond my purview. As my predecessors have repeatedly ruled, it is not now, nor has it ever been, the role of the Speaker to rule on questions of law. This has been a longstanding practice and I draw members' attention to Bourinot's *Parliamentary Procedure and Practice in the Dominion of Canada*, Fourth Edition, 1916 at page 180 which reads that the Speaker:

> —will not give a decision upon a constitutional question nor decide a question of law, though the same be raised on a point of order or privilege.

This is also repeated in citation 168(5) of Beauchesne's sixth edition, 1989.

On matters of privilege, it is up to the House to decide whether or not a member's privileges have been breached. The Speaker must be persuaded that there is some evidence that a member has been hindered in the performance of his or her parliamentary duties, before putting the question to the whole House for determination.

Having carefully reviewed the procedural authorities and the interventions of hon. members, I must conclude that in the case before us there is no prima facie question of privilege.

I thank all hon. members for their contribution to this decision.

GOVERNMENT ORDERS

[*English*]

FIREARMS ACT

The House resumed consideration of the motion that Bill C–68, an act respecting firearms and other weapons, be read the second time and referred to a committee.

The Acting Speaker (Mr. Kilger): I understand there was some time left in the question and comment period for the hon. Parliamentary Secretary to the Minister of the Environment. I believe the member for Swift Current—Maple Creek—Assiniboia had the floor.

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, I had digressed to the question of the political flip–flop of the Association of Police Chiefs on the question of the registration of guns. However, I would like to pursue my original debate with the hon. member for Lachine—Lac–Saint–Louis.

He has at rather great length discussed the causes of domestic violence and suicide in the home as it relates to the registration of firearms. I fail to see, and I have tried very hard to understand, how a registered gun is any less lethal than an unregistered gun. If we want to solve the problem of domestic violence leading to death or of suicide with firearms, there is only one way it can be done. That is by totally disarming the civilian population.

• (1520)

I would ask the hon. member if that is his vision of Canada.

Mr. Lincoln: Mr. Speaker, I was really interested in hearing the hon. member before question period when he contrasted the styles of the Minister of Justice who spoke in calm tones and mine with very passionate, emotional tones.

In this party we are individuals. We have different styles, different ways of expressing ourselves, different points of view sometimes. That is what makes a democratic party. I do not see why we should not speak with passion. I feel very passionately about this issue. I feel passionately about it because guns kill. They cause death and injury. We should do whatever we can to be on the side of caution. That is what Bill C–68 is all about.

I would remind the hon. member that there are an estimated five million rifles and shotguns in Canada. Nobody knows who owns them. Over the past 20 years 62,000 guns have been stolen and not recovered. Over 3,000 a year are lost and nobody knows where they are.

A registration system makes it easier for police control, for people in charge of legal control to trace possessions. This is why we register cars and boats. When they get stolen or burglarized people can trace them.

Today the Reform Party is challenging us to prove without any fear of contradiction, with 100 per cent certainty, that registration will be watertight or statistically proven. We have suggested that there is a whole body of opinion relating to crime. The police chiefs association, the Canadian Association of Police, the Canadian Bar Association, the Canadian Crime Association all tell us that registration will have an impact on at least controlling the guns that flow across the borders unregistered, unknown.

Surely it is worse, the precautionary principle. Where is common sense? Where is the fact that we should use caution when it comes to lives? The onus should be on us to show we have taken every possible action to ensure life is protected.

If registration would save one life—according to all the experts it will save many lives—then of course registration is possible. We have a duty as a government to do it. Bill C–68 is awaited by a great majority of Canadians. Eighty–eight per cent of Canadians in the Angus Reid poll say they are for registration, including a majority all across Canada. In some provinces it is up to 95 per cent, in another, 69 per cent. Every western province is for it.

Therefore, Bill C–68 is a big step forward. It is a reflection of what the majority of Canadians want. I am very pleased it is here. I will support it with great conviction.

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, it is very interesting to listen to the rhetoric flow, having it interfaced with an appeal to common sense. That is what we ask for, to see some common sense in the gun legislation in this country. The hon. member mentioned there are estimates which range from five million to as high as 12 million firearms and long guns unregistered in the country.

• (1525)

The registration of handguns has been in effect since 1934. We have had 60 years of registration and it has done nothing to prevent criminals from acquiring and using handguns for criminal purposes.

I ask the hon. member for a succinct answer, if possible, because I know his time is up. How will registration of long guns be more successful than the registration of handguns has been?

He also mentioned experts who say that registration will work and that "it will save countless numbers of lives" I believe was the term. Name the experts. We would love to know who the experts are who claim that registration will save lives.

Mr. Lincoln: Mr. Speaker, I said it would save lives. If it saves just one life it would be worth it. They never talk about life over there. They talk about guns. They do not talk about human life. That is really what this bill is about.

The member makes the point that the registration of handguns has been in place since 1934 and it still permits criminals to use handguns. What would happen if there was no registration of handguns? Would there not be more crime?

If the registration system needs improving, then let us improve it. Today we have computers, all kinds of technical means to ensure that a registration system is far better than the one that was set up many years ago. This is the opportunity to do it. We have the technological means to set up a proper registration system. It will take time but the minister has allowed for that in the bill. Once it is set up it will be a modern, up to date registration system which may filter into the communities and which hopefully will involve the community at large, the grassroots. It will be far better than the system we now have, which is no system.

If the handgun registration system is not perfect, then let us perfect it. But at least it is a step toward caution, toward saving lives.

[*Translation*]

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, I am pleased to participate in the debate at second reading of Bill C–68, An Act respecting firearms and other weapons, which was tabled on February 14, 1995, by the Minister of Justice and Attorney General of Canada.

That legislation, which was promised a long time ago by the Liberal government, and the tabling of which was postponed on several occasions, amends the Criminal Code and includes a new Firearms Act. It provides harsh sanctions for crimes committed with a firearm, as well as a system of registration certificates and a national firearms registration system.

This dense, complex and technical piece of legislation of 132 pages, with no explanatory notes, will give effect to the measures announced on November 30 by the minister. The delay in the tabling of that bill can only be explained by the considerable opposition it has stirred in the ranks of the Liberal Party. Over 30 Liberal members will vote against that bill, including the member for Timiskaming—French River, the member for Kenora—Rainy River. Some ministers are also said to have strong reservations about the new legislation.

I hope that these dissenting members will have an opportunity to express their views in this House, so that we get an idea of just how divided the Liberals are on this issue. The hon. member for

Lachine—Lac–Saint–Louis, who just made a good speech, should use his persuasiveness to convince his colleagues to support this legislation.

• (1530)

Bill C–68 proposes several measures, including: the establishment of a national firearms registration system; a minimum jail sentence of four years for violent crimes committed with a firearm, as well as a prohibition to ever own a restricted or prohibited weapon; the inclusion of new Criminal Code offences with harsh penalties for the illegal importation and traffic of firearms; measures to tighten controls at the Canadian border—this morning, the minister mentioned that a very large number of firearms are imported into Canada each year—, and a prohibition to import and sell .25 and .32 calibre handguns, as well as handguns equipped with a barrel of 105mm or less.

Individuals who do not acquire a licence or a certificate within the time prescribed could be sentenced, under the Criminal Code, to a maximum of six months in jail, or to a fine of up to $2,000. The weapons license is renewable every five years at a cost of $60. The registration certificate will be valid for life, unless the weapon is sold or transferred. Once the system is in place, the license will be mandatory for the purchase of ammunition.

Control of firearms has caused and continues to cause heated debate. Those in favour of control are demanding, among other things, more stringent regulation, that all weapons be registered, and that certain types of firearms be prohibited.

On the other hand, the weapons industry is angry at having to submit to new restrictions. It will therefore intensify its pressure in strongly opposing this bill. We of the Bloc Quebecois have always held that there must be legislation in this area in order to better control firearms.

In my opinion, it will also help resolve the crime problem. I also realize that more restrictive gun control alone cannot resolve the crime problem. We must reconcile the right of individuals to protect themselves against violence with the legitimate interests of weapons' owners, including hunters.

It must be pointed out that the minister resisted the pressure of the powerful gun lobby. Universal registration of firearms is a positive measure. It will encourage owners to find ways to store them safely.

Reactions to the bill in Canada and in Quebec are divided. However, I think most of the country, including the people in my riding of Bourassa, in Montreal North, support the broad lines of the bill. Therefore, I believe this bill, despite many gaps and shortcomings, is a step in the right direction.

• (1535)

Among the measures contained in this bill, the registration of all firearms is the most seriously disputed. Under the administrative control of the Royal Canadian Mounted Police, this measure should be implemented in conjunction with the provinces and territories. We will keep an eye on co–operation between the RCMP and the Government of Quebec. In Quebec, where at least one firearm offence is committed daily, the police must use stronger measures to effectively counter the criminal use of firearms.

In my province, 400 to 450 deaths are caused by firearms every year, about 300 of which are suicides. This is why the health care community, in particular, has been calling for registration of all firearms for a long time. We must remember that in Quebec firearms have been registered since 1972, but the registration system must be improved.

I have serious reservations about several measures in the bill, especially in regard to registration procedures and costs. The national registration system is not self–financed, something which the Bloc Quebecois has been demanding for a long time. The justice minister has merely mentioned that implementing this system will cost $85 million over seven years. But he has not said where he got these figures, how he arrived at this amount. In addition, I believe the cost will be much higher than what the minister has calculated.

Moreover, we believe the minister and his government have given in to the powerful progun lobby by allowing a period of eight years for the registration of gun owners and their weapons.

Mr. Speaker, as you know, I am Chilean by birth. I came here following the military coup in 1973. Chile was a peaceful country; Pinochet's dictature brought total insecurity. When my wife, my children and I came to Montreal in 1974, we most cherished the safety of this country's cities and streets.

However, I was shaken by the tragedy of December 6, 1989, when 14 young women lost their lives at l'École polytechnique de Montréal, at the hand of a misogynist murderer. Marc Lépine used a Luger rifle. The incident spurred a major movement in Quebec and Canada in favour of increasing firearm controls and it heightened awareness of the daily violence that women are subjected to in our society.

I was personally affected by the tragic incident five years ago because one of my goddaughters was studying at l'École polytechnique during the incident but, fortunately, did not get shot.

The bill outlaws the sale of all weapons like the one used by Marc Lépine. At the time, close to three out of four Canadians felt that the massacre of the 14 students at l'École polytechnique demonstrated the need for tighter gun controls.

• (1540)

Women, seniors and Quebecers in general were and are the three groups most in favour of legislative action to restrict the sale of weapons. According to figures from Statistics Canada, between 1978 and 1982, 37 per cent of all murders were committed with firearms. Of the 6,465 crimes committed between 1978 and 1987, 33 per cent were committed using a firearm.

The minister said that on the average, every six days a woman dies from a gunshot wound in Canada. The situation is therefore very serious. However, in my opinion, the minister is afraid to really get to the heart of it. He should have tabled a tougher bill. He extends until the 21st century the time limit for those who currently owner firearms to get a certificate in compliance with the minister's action plan.

He has committed the sin of omission on many points in his bill. The Minister of Justice did not pay enough attention to coroner Anne–Marie David's inquest, held in Montreal in the latter part of 1994. Twenty or so witnesses representing various organizations testified about how inconsistent and unclear the regulations were and how the minister's new proposals did not address the problem as a whole.

Government must protect citizens against any fraudulent and dangerous use of firearms. Public safety must be improved by limiting the use of firearms for criminal purposes. I think that all immigrants in Quebec and Canada wish to live in a safe and law–abiding society. I also think that the people do not want Quebec and Canada to become like the United States as far as firearms are concerned.

But at the same time, I would like to see this bill take into consideration the legitimate interests of hunters and farmers. Hunting is a long–standing traditional activity. It is a major leisure and economic activity for many Quebecers and Canadians. Sports shooters have gained international recognition. Many aboriginal people hunt to feed their families. I have nothing against people using weapons for good reasons.

I do not think that in Canada, unlike other countries, we need to be armed to protect ourselves. At least, this is not the kind of society I would like to live in.

[*English*]

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, the member for Bourassa mentioned that about 30 members on the government side will be voting against the bill. I would suggest that he redo his research because many of the concerns that our members had have been addressed in the latest changes to this bill.

I was pleased to hear from him that he personally will be supporting this bill because, as he said, it was a long time coming. He did comment, though, that the bill did not go quite far enough.

• (1545)

The minister of the environment and wildlife for Quebec stressed that the bill goes too far. I am wondering if he can give us some clarification if this is the same split within his party. He makes a very strong statement that the bill does not go far enough and yet we are hearing another message from that province that the bill has gone too far.

[*Translation*]

Mr. Nunez: I hope that the dissent within the Liberal caucus with respect to Bill C–68 is not deep–seated. I accept your explanations, but I still think there are some serious problems about this bill within your caucus.

As I said before, we agree with the general principles of the bill. We are in favour of tighter gun controls, especially in Quebec, where we had the tragic killings at l'École polytechnique in Montreal and where other occurrences have made us very much aware of the problem.

I hope that during consideration of the bill in the Justice Committee, we will be able to take a closer look at this legislation and propose amendments that will make it more effective and give it more teeth, and that will also ensure it will come into force as soon as possible. As the hon. member for Lachine—Lac–Saint–Louis said earlier with such passionate conviction, I think society in Canada and Quebec absolutely needs this legislation.

[*English*]

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, I would like to ask the hon. member for Bourassa two questions.

The hon. member indicated that he supported the idea of prohibiting the Mini Ruger which was used in the polytechnique massacre. I can support that and understand that assault weapons are off the list. My constituents support that as well. However, someone who is deranged will find a weapon in some way, whether it is registered or not under this current program. He could have used a sawed off shotgun, for example.

The first question is how would registration have stopped that circumstance from actually happening?

The second question is with regard to a remark the hon. member made concerning universal registration. He said it is a good idea because it will encourage owners to store their guns and ammunition safely. The last House of Commons passed Bill C–17 and put into place legislation that required all people in Canada to store their guns and ammunition safely. It has not lowered the crime rate or the illegal use or misuse of firearms in crimes in any way. How can the hon. member say that universal registration is going to make a difference with regard to this?

[*Translation*]

Mr. Nunez: Mr. Speaker, of course there are limits to what we can do. There are mentally disturbed individuals in every society. However, I believe that our goal and the public's goal is to minimize the risk of crimes being committed with firearms.

I do not know whether the weapon used by Marc Lépine was registered, but I think firearms registration will be helpful because we will know who the owner is. In the case of people who are mentally disturbed, I trust they will be denied the right to have a firearms licence.

I think registration is essential to gun control. Of course, if we have a national registration system, we can also ensure safer storage of these firearms. I hope that this bill will help us achieve some of these goals, despite, I repeat, some considerable deficiencies in Bill C–68.

• (1550)

[*English*]

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, I remember one time being stopped by a policeman for a routine check in my car and in the back seat was a baseball bat. He asked why I had a baseball bat in my car. I said that along with the ball and the glove on the floor of the car, I used it to play with my children. This was a few years ago. He said that was fine, but that if I were carrying it to use as protection or to use against someone it would be a crime to have it in the car.

It seems to me that the intention of the use of a firearm or a hatpin or a hammer or a kitchen knife or a pair of fists is the thrust of what we should be talking about. It is the intention of a person to harm, the deformed will of a person that we should be addressing ourselves to. We cannot stop every threat. When we are told that if we can save even one life, if it were true I would accept that.

If we are so concerned about saving lives, why is the government and why are the people of Canada not more concerned about the technical standards of appliances, of automobiles, of so many of the things we use? Why do we allow smoking? Why are the restrictions on drunken driving not more stringent? This is a red herring.

How will the registration of guns, how will further restrictions on guns and how will this bill on gun control affect the misuse of guns by someone who is determined to cause someone else harm?

[*Translation*]

Mr. Nunez: Mr. Speaker, as I said earlier, I believe the national firearms registration system will provide tighter controls over who owns these firearms and where they are stored. I am not alone in this respect.

In my own riding of Bourassa, in Montreal North, 15 per cent of my constituents are senior citizens. I discussed this with them. We had a number of meetings, and I asked them: What do you think about gun control and the bill announced by the Minister of Justice? All senior citizens are in favour of tighter controls because they want to be able to go out, and walk in the park, without fear of being attacked by some crazy person with a gun. And many people would agree.

I spoke to the labour movement, the Canadian Labour Congress, which represents more than two million members in this country, and especially in Quebec, they agree with the broad principles of this bill. I spoke to physicians and health care workers. They also want tighter gun controls in Canada. I think the majority of the people in Canada and Quebec, and in my riding, support the broad principles of this bill.

[*English*]

Mr. Harbance Singh Dhaliwal (Parliamentary Secretary to Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I feel that it is a great opportunity for me to speak on the topic of gun control. I hope to talk about some of the concerns expressed by the Reform Party and go through a whole series of situations in terms of support, some of the statistics that support strong gun control.

• (1555)

Let me start with a basic premise on why gun control is good for Canada. Gun control is not simply about controlling guns. It is about public safety. It is about crime prevention.

Do members think—I have asked this question to people often—if we have more guns on the street we will have more crime? Consistently the answer is yes, the more guns we have on the street, the more crime we will have. If you can go out and buy a gun in a local store, do you think we will have more crime? The answer consistently is yes.

Is that not logical? If there are fewer guns on the street and if the government makes it more difficult for people to get more guns, will we not have less crime? My basic premise is if we have fewer guns on the street and those that are there are restricted and managed, we will have a safer society and safer communities.

The other part of it is just the psychological effect, the fact that we know as a society we do not tolerate people having guns, and the fact people know it is illegal to have guns on the street and that we do have restrictions. That will also help in determining that psychologically there is less fear in our society. That is very important as well.

Let me look at the support that this bill has right across this country, whether it be in Alberta, British Columbia or anywhere else. There is tremendous support for this bill. For example, from October 5 to October 25, 1994 Environics Research Group Limited conducted a national survey of Canadian public attitude

toward various gun control measures. The survey reported that 90 per cent supported a law requiring all firearms to be registered.

In British Columbia 88 per cent of the people support strong gun control. In Alberta 83 per cent of the people support gun control. Virtually all Canadians, 96 per cent, support increased penalties for the use of a firearm during the commission of a crime. Part of that bill also increases the crime whenever a firearm is used in the commission of a crime.

Seventy–five per cent wanted restricted access to ammunition. Sixty–seven per cent supported a law preventing civilians from owning handguns.

There is a whole list of the polls done. It goes on and on. I could probably go on. There was a survey done in Alberta recently which said that 64 per cent of Albertans support a national firearms registry.

This was a poll done by Alberta's minister of justice, Mr. Evans, who said that he was surprised by the results of this poll. An Angus Reid poll was done in the fall of 1994 in which 70 per cent of Canadians favoured tougher gun controls.

I can go on and on and cite more polls but it is pretty evident that Canadians support strong gun control. If one looks at the groups that are supporting gun control, there are incredible groups that are saying they want gun control.

For example, on August 25, 1994 at its 89th annual conference the Canadian Association of Chiefs of Police passed six resolutions that support strengthened firearms control measures. Mayors of B.C., mayors of some of the people in the Reform Party, said they want stricter gun control. Eighteen mayors throughout British Columbia representing 1.7 million people said they want stronger gun control. This is coming from the mayors of municipalities.

It is quite evident that groups right across Canada, whether it is the mayors, the Canadian police chiefs or other groups including community groups, have said they want stricter gun control. As the Reform Party always says, we are listening to those Canadians. We are listening and we are responding. We believe we need to listen. The difficulty for Reform Party members is that if they do not support this bill, they will be against the majority in their own ridings that wants stricter gun controls.

• (1600)

I know we have to be careful in using statistics because they can be used in misleading ways. I want to share some statistics with the Canadian public. A recent survey showed that guns were used in 42 per cent of murders of women by their spouses. One woman in Canada is killed with a gun every six days. Most often she is killed in her own home and almost always she is killed by someone she knows. That is quite a revealing statistic.

There is another statistic that we should look at closely. Over 80 per cent of the rifles and shotguns were legally owned at the time of the shooting. Is that not an incredible statistic? The members of the third party say: "It is the criminals that are committing the crimes". It shows that over 80 per cent of the rifles and shotguns were legally owned by those people at the time of the shooting. What does that tell us? It sends a very strong message when 80 per cent of the rifles and shotguns were legally owned at the time of the shooting. We have to take action.

In 1991 there were a total of 1,445 deaths involving firearms. Of those, 19 per cent were homicides, 4 per cent were accidental deaths and 77 per cent were suicides. In 1992, 26 per cent of all robberies involved firearms. This represents a gradual decline since 1977 when it was 39 per cent, the year before stricter gun control measures were passed by Parliament.

As the result of stricter gun controls we have cut robberies down from 39 per cent to 26 per cent. We heard the same arguments in 1977 when the Liberal government, proposed by Minister Ron Basford, passed legislation on stricter gun control. The same arguments are coming out. In looking back the statistics show we did the right thing. In 15 or 20 years we will look back and say we did the right thing now as well.

In 1992 there were 732 homicides. Of those 732, 34 per cent were committed with firearms. That is a serious problem.

We can compare our gun laws with those in other countries. Unfortunately we do not have a comprehensive study that compares countries that have stricter gun controls and those that have less restrictions.

We do have one very comprehensive study that took the example of two cities which were within a 100 to 150 mile radius. The study looked at what happens in crime in those two cities. The two cities were Seattle and Vancouver, the city which I am from and represent, Vancouver South. It looked at these two cities because there were a lot of similarities in geography, climate, make–up and population. It was a study done between 1980 through 1986 in order to investigate the associations among handgun regulations, assaults and other crimes, as well as homicides.

The two cities are similar in many ways. They share common geography, as I said, climate history and both cities have a comparable level of schooling and have almost identical rates of unemployment and ethnic diversity.

• (1605)

Although similar to Seattle in many ways, Vancouver has adopted a much more restrictive approach to the regulation of handguns. During the study period, it is quite relevant that both cities had similar rates of burglary and robbery.

In Seattle, the annual rate of assault was modestly higher than that in Vancouver. However, the rate of assaults involving firearms was seven times higher in Seattle than in Vancouver. That sends a very good message. Despite similar overall rates of assault the relative risk of death from homicide was significantly higher in Seattle than in Vancouver. Virtually all of this excess risk was explained by a 4.8 fold higher risk of being murdered with a gun in Seattle as compared with Vancouver. That is very revealing.

The conclusion of this study was that restricting access to handguns will reduce the rate of homicide in a community. That is the basic premise I started from. It is logical that if we have more guns on the street, we will have more crime. If we have fewer guns on the street, it is logical that we will have less crime.

That is a very simple way to look at it. Unfortunately the members of the Reform Party still do not see that. It is very simple. The average person should understand that. If we let people buy a gun whenever they want with no restrictions or rules, we will have higher crime. If we restrict firearms, we will reduce the crime.

Another example is Indianapolis. Its police wanted to stop vehicles to have a real, active approach on gun control, like our drinking program. They said they would stop cars in a certain area where they had problems; they would search cars, looking for guns. They set up a proactive approach to this.

The police actively sought out and confiscated illegal firearms in high crime neighbourhoods. The result was that gun related crimes were reduced by almost 50 per cent in the relevant areas. Homicides and drive–by shootings also went down significantly. This is a very good message.

Even with this information, the Americans have been unable to put forward stricter gun controls because of the national riflemen's lobby association. Strangely enough, we hear members of the Reform Party talking about lobby groups. They say their favourite subject is lobby groups and how they are against lobbyists and lobby groups. However, when the lobby groups support their position, they are holding hands. They do not mind going to bed with the lobby groups that support their position, as they have done with the gun lobby group.

We always get the argument that we should punish those people who cause the crime. Here is another statistic that will interest people. Eighty per cent of all homicides in Canada occur between people who know each other. Most homicides occur as a result of assaults during arguments or altercations. A small minority occur during the commission of a robbery or other felony.

If there are more guns in the homes, there will be more homicides. If there are fewer guns in the home, there will be fewer homicides. It is very simple.

• (1610)

What is the cost of this program? Prove that it will reduce crime. If everything we did to prevent crime had to be proven first, we would not have very many crime prevention programs.

We have heard from major groups that have said that this bill will reduce crime. Common sense tells us that it will reduce crime. However, members of the Reform Party want evidence, proof now, on crime prevention programs. The proof is already there if we look at past legislation and at the gun control bill of 1977. It shows that stricter gun control reduces crime. We do not need any more proof. The government will take action whenever a crime prevention program shows it reduces crime and helps public safety.

Once a crime is committed there are incredible costs. I know members of the Reform Party have mentioned costs. But what does it cost once a crime is committed? What is the cost to a family? What is the cost to society? What is the cost of losing a family member? There are huge financial costs, for the courts, for the legal system, for the pleas. To keep someone in jail costs $60,000 a year.

Yes, the program will cost something. The registry system will cost approximately $85 million. But it is not a cost, it is an investment because it is going to reduce crime. It is an investment because it will ensure there are fewer tragedies, whether it be a suicide or a murder. Hopefully as parliamentarians we can attempt to reduce those kinds tragedies. That is why I am supporting this bill.

The Reform Party strongly opposes any preventive gun control measures. Its arguments are primarily based on defending the interests of gun owners, not in public safety. Reformers ignore the facts about the use of firearms in domestic violence, suicides and accidental deaths. Although Reform claims to put a high priority on crime prevention, the only action it advocates is to deal with criminals after lives have been lost. We want to prevent the loss of lives. That is our goal.

The costs of registration have been exaggerated by the Reform Party with allegations that the registration system will cost hundreds of millions of dollars. Concerns about the design and the cost of the system are being dealt with by taking time to develop it carefully.

I have to congratulate the Minister of Justice who had the courage to tackle this issue and to make sure that it is done right. Too often politicians do not want to tackle tough issues. They do not want to tackle issues where there is some resistance. The

minister saw resistance to gun control. It took a lot of courage for him to bring in this legislation.

With today's technology it will also be cheaper than it would have been 15 or 20 years ago. We think those figures are correct.

I know that I am running out of time. My colleague from Edmonton Southwest said his survey showed that 69 per cent of the people in his riding support stricter gun control. In a lot of ways Canadians are ahead of politicians on this one. However, as a government we recognize that we must do this. The Canadian public wants us to do it. The police forces want us to do it. Let us do it for our children. Let us do it for the youth so they will face less crime.

• (1615)

I have three children and I want them to live in a safe society, where they do not feel threatened by someone having a gun. I want them to build a stronger society. We do not want to be Americanized as do some Reform Party members. We want to have a safe country. We do not need guns.

If there is any message I can send today it is that everyone, including the Reform members, should support this bill and give support to the minister. If anything, it should be a tougher bill than what it is now. I hope in the future we can make it more tough because the fewer guns out there, the less crime. It is only logical.

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, I would like to ask the hon. member a couple of questions.

I too have spent the last seven or eight weeks touring the country far and wide talking to people at many public meetings. I have also received polls. I received one yesterday regarding registration from the constituents of Renfrew—Nipissing—Pembroke, which had 2,807 respondents. Of those respondents, 111 said yes and 2,696 said no.

That is what came from that riding. The member of Parliament has received that poll from those constituents. Is that member of Parliament going to be allowed to represent his people? After all, the polls he is getting certainly do not indicate what the minister and other members are claiming.

Are we aware that the Prime Minister received 200 resolutions from municipalities in the province of Manitoba opposing the minister's gun law? We have not heard anything about that, but I know they were delivered to the Prime Minister of Canada from the province of Manitoba.

Tons and tons of petitions are being tabled. I have managed to put in over several thousand names from all over the country because some members evidently do not want to table these petitions. They have come from all parts of the country. The latest one was from Manitoba and was signed by somewhere in the neighbourhood of 1,400 individuals, including 400 or 500 women who signed it on special pink paper so it would be recognized. They are opposing this bill.

The hon. member for Burlington was with me at a meeting in Kamloops. The place was packed full. There might have been 300 or 350 people there. They asked that member to send a message to the minister. They called for a vote and they all stood opposing the gun proposals.

For heaven's sake, when you see these kinds of things—and everywhere I go I see them—and you get them from your own members' ridings, where it says that 96 per cent oppose gun registration, where in the world are you dreaming up these figures that you keep talking about?

The Acting Speaker (Mr. Kilger): Order. The Chair recognizes that this is very controversial and that there are very strongly held views on both sides of the debate. However I would remind members on both sides of the House to always direct their interventions through the Chair, through the Speaker, and avoid referring directly to one another as "you".

Mr. Thompson: Mr. Speaker, I apologize for that. I forgot for a moment that you were there. I will not do that again. But as you say, it is very easy to get worked up.

I have attended over 19 public meetings. I have personally interviewed thousands of people and I have listened to them. I did not encourage them in any way, fashion or form. I asked: Are you familiar with the proposals? They said yes. I asked: Are you in favour? There was an overwhelming no. This is mostly grassroots. I do not have time for a lot of the elite, as do some of the ministers. I am talking to grassroots individuals throughout the country. They do not want it. It is loud and clear from every indication.

Check the petitions that are tabled and tell me how many petitions are in favour of this and how many are against. Mr. Speaker, you will be pleasantly surprised.

Mr. Dhaliwal: Mr. Speaker, on any given day on any issue I could probably get 1,000 people out in my riding. If a Reformer comes to speak in my riding, I can get 1,000 people to protest against them because of their stance. It is not hard to get 300 people up against it.

• (1620)

However, that is not the issue here. The issue is that overall, the polls coming in show again and again that the majority of Canadians are supporting this. There are going to be some people who oppose it because it will be in their interests to do so. These are the hunters and the people who sell guns. It is in their interests to oppose this.

Some of them have legitimate reasons. I give the minister credit because he has met with people right across the country from coast to coast to talk to them about their legitimate concerns. Some of them are hunters up in the north whose livelihoods depend on guns.

When the polls show that 15 per cent of the people are against this bill, they are going to sign petitions, but 85 per cent of the people want gun control. It is an overwhelming fact that people want gun control.

The Reform Party will pay a very high price for not listening to the Canadian public in the next election. A recent poll has shown how marginalized it is and it will be more marginalized after the next election. It will have less than the two seats the Conservatives got.

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, I have heard the hon. member from the other side state many facts and figures.

It has been mandatory to register handguns since 1934. I would like to know how much and how far crime has depleted with the use of handguns. I also heard the member mention crime control at border crossings. I would like the hon. member just to remember that this is the same government that could not stop the smuggling of cigarettes.

Mr. Dhaliwal: Mr. Speaker, this government has done a very good job in stopping the smuggling of cigarettes. All one has to do is look at the facts.

The hon. member was not listening when I gave an example. I said that in 1977, 39 per cent of the people were using a firearm in robberies. Now it is only 26 per cent. The evidence is there and it is overwhelming. If some people want to ignore the evidence, so be it. Some people do not want the truth and choose to ignore the evidence, as some of the Reform members have done.

However, we are not going to ignore the truth or the facts. We are going to look at this in 20 years and know that we did the right thing in this Parliament. We will have passed strong gun control legislation which I think should be even stronger than it is now. Canadians across this country have shown support for us. In the recent byelections it was three seats out of three for the Liberals. Why? It is because we are doing the right thing, we are listening to Canadians.

It is surprising that whenever we have done consultations the Reform Party has called them a sham. It is not interested in consultation and it is the party that wants consultation.

There are some legitimate concerns out there on gun control and the minister has dealt with those concerns. This is an excellent piece of legislation. I hope the members will strongly endorse and support it because when they look back at it 20 years from now, they will know they did the right thing.

The Acting Speaker (Mr. Kilger): Before resuming debate, it is my duty, pursuant to Standing Order 38, to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for Kamloops—Taxation.

[*Translation*]

The hon. member for Mégantic—Compton—Stanstead has given me written notice that he will be unable to be present to move his motion under Private Members' Business on Friday, February 17, 1995.

[*English*]

It has not been possible to arrange an exchange of positions in the order of precedence pursuant to Standing Order 94(2)(*a*). Accordingly, I am directing the table officers to drop that item of business to the bottom of the order of precedence.

[*Translation*]

Pursuant to Standing Order 94(2)(*b*), private members' hour will be deferred and the House will continue with the business then before it.

• (1625)

[*English*]

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, I wish I could stand today to say it is a pleasure for me to speak on Bill C–68 but I am afraid I cannot. I had hoped that the hon. minister would have listened to the concerns of literally hundreds of thousands, millions of Canadians across the country who have deep concerns about gun registration. Obviously he has not and has chosen to forge ahead.

I personally have received thousands of letters from people who are concerned that the Minister of Justice has confused gun control with crime control. I am sure that every other member of Parliament in the House has as well.

There is a growing perception that our justice system is not working. The justice minister and the anti–gun lobby are trying to convince everyone that if we just make it tougher to own and use a gun legally, somehow it will be harder for criminals to use them illegally. Somehow I have my doubts about that.

Our justice system was built on the principle that one is innocent until proven guilty. We must work hard to maintain the integrity of that system to ensure that innocent people are not deprived of their rights for the wrong reasons.

When any program is put into place, it should be clear what the objectives are. There should be a means of evaluating its effectiveness. In this case, I feel the government has clearly failed.

What does imposing more restrictions on law–abiding citizens have to do with crime control? To use the minister's own words, how does registration make Canada a safer, more civilized place to live? In 1993 the Auditor General said that we do not have statistics indicating whether previous gun control legislation has had any effect on the misuse of firearms.

The results of just one short term evaluation done in 1983 were used as a basis for the even stricter gun control legislation introduced by Kim Campbell, Bill C–17 in 1991. When Bill C–17 was passed, there was no real proof that the new laws or regulations would meet the government's crime control objectives.

This justice minister has introduced legislation with some very clear crime control measures, such as stiffer penalties for using a gun in the commission of a crime or for weapons trafficking. However, in the same bill he has included restrictions on honest citizens who he cannot demonstrate have anything to do with the problem.

I object to the minister lumping measures against criminals in with measures against law–abiding citizens. I object to the implication that responsible gun owners are somehow guilty of a moral deficiency or harbouring criminal intentions simply because they own a gun. I am referring to such measures as mandatory registration and powers of search and seizure without a warrant.

In parts of my riding, every household has at least one gun. The police have been handed the power to search businesses and premises other than dwellings, without a warrant. The minister has created a new category of criminals in this country.

Where I grew up in northern B.C., someone is a criminal if they do something illegal, if they actively go out and break the law. This bill makes honest Canadian citizens criminals subject to a 10 year prison term if they do not do something. If they fail to register their .22 they can be thrown in prison for up to 10 years.

Ten years was the penalty Denis Lortie got for murdering three people and wounding 13 others in the Quebec National Assembly. Ten years is the maximum penalty this minister is seeking for a young offender who commits premeditated first degree murder. Is this minister saying that because someone fails to register their gun they must be going to commit murder or rob a bank?

This legislation is a slap in the face to every law–abiding gun owner in Canada. This government tells us that we need tougher gun laws against legal gun owners because stolen guns are used by criminals. Where is the proof that registration will prevent even one death? The government does not have any.

If crime prevention is not the objective of registration, then what is? Murder rates in Canada have remained relatively stable over the last 15 years. Yet in April, the justice minister reacted to two high profile murders in Ottawa and Toronto by floating a proposal for a total ban on guns within city limits. Who did he think would be affected by such a ban, the criminals?

• (1630)

Tougher gun control legislation in many states has had no discernible impact on gun violence. In the United States 93 per cent of the guns used in homicides were apparently acquired illegally. New Zealand and Australia found registration did not help the police. It did not seem to have any tangible aim and did not help at the scene of a crime when the offender stole, borrowed or found a firearm.

What about in Canada? Here the government does not keep statistics on the use of illegally versus legally owned guns in the commission of crimes. Why not? Would they not support the government's position?

Last June I asked the Minister of Justice to prove to law–abiding gun owners that they are part of the crime problem before he enacts even tougher laws. We want proof that tighter restrictions for people who respect the law will prevent the criminals who do not respect the law from getting their hands on guns. Eight months later we are still waiting for an answer.

Restricted and prohibited firearms are already registered. What has their registration done to prevent crime? In most cases where restricted and presumably registered guns are used in crimes the government does not even know if the criminal bought the firearm legally. It does not keep records. There are already 1.2 million registered firearms in the country and this government does not have a clue how many of them were used in crimes because it does not ask. It knows guns used in crime were smuggled into the country and I fully support tougher measures against gun smuggling.

Why is the minister taking rights away from people who are not criminals? The hypocrisy of selling universal registration as crime control is readily apparent to everyone.

We know that thousands of guns are smuggled into the country all the time. What is the point of borders and laws if we cannot or will not enforce them? If we cannot close our borders to cigarette smuggling how much more difficult is it going to be when the government finally gets serious about gun smuggling? When will the government take a stand and give the police or the army the mandate to stop international trade in arms?

I visited with police in the Cornwall area. The minister and other members opposite like to talk about how they have the support of the police forces. Everyone knows gun smuggling is going on down there but they have not been able to stop it. When I questioned the police as to why they have not been able to stop the smuggling they said to me: "Why should we risk ourselves with a small revolver against automatic weapons? When we

apprehend these people, we make an arrest, we get them into court and they get off with a slap on the wrist".

Their message to me was to get tough with the people who are misusing and abusing firearms rather than legislate a useless registration system.

I hope this government's anti–smuggling legislation works better than its anti–cigarette campaign. I understand cigarette use has increased dramatically since this government lowered the taxes a year ago. I hope the plan is not to lower the taxes on guns to combat smuggling.

Bill C–68 has some tough laws on trafficking. Under sections 99 and 100 of part III of the Criminal Code a weapons trafficker will get up to 10 years. I also notice that tucked away in section 110(v) of the Firearms Act the governor in council can pass regulations "respecting the manner in which any provision of this act or the regulation applies to any of the aboriginal peoples of Canada and adapting any such provision for the purposes of that application".

The question has been asked and will repeatedly be asked whether this legislation will apply equally to all Canadians. The minister's reply throws more confusion when he says yes, but with flexibility toward the aboriginal people. What does this mean? Canadians need to know.

The justice minister maintains that the government is not effectively destroying the value of the prohibited handguns because Bill C–68 creates a class of gun owners they can trade with. This class is defined as any current gun owner who legally owned one of the newly prohibited guns on or before Tuesday, February 14. Considering that date I wonder if Bill C–68 is not just a Valentine's present by the minister to Wendy Cukler of the Coalition for Gun Control.

• (1635)

Does that really protect their investment in these guns? Over time the class of owners will dwindle through attrition. Fewer and fewer people will be allowed to buy these guns and eventually there would be only one avid collector in possession of half a million guns. When he or she dies all those guns will be confiscated by the crown. Will they get fair compensation for those firearms if he or she tries to sell them before they die? There will only be a few collectors allowed to buy them. Do not tell me that fair compensation will be offered. Do not tell me or the country that their market will be stable.

Last year a young Edmonton mother, Barb Danelesko, was savagely murdered in a home invasion. Do you think she could have convinced a firearms officer that she needed to protect herself or her children? Recently one young offender found guilty for that crime was handed a three–year sentence.

Under Bill C–68, if Mrs. Danelesko had had an unregistered firearm at her disposal for her defence and had survived, she would have had to face up to 10 years for non–compliance. Where is the balance? Where is the justice?

Proven criminals receive fewer years than this minister wants to give responsible hunters who have done nothing wrong but failed to register their shotgun.

Many people, especially those living in cities, do not believe the ability to protect your home and family is a legitimate reason to own a gun. The justice minister certainly does not believe it.

Less than a year ago he said he came to Ottawa with the firm belief that the only people in this country who should have guns are police officers and soldiers. This is a sobering thought for millions of responsible gun owners in Canada. With the introduction of Bill C–68 he is one step closer to fulfilling his goal.

He also said he did not want Canadians to think they needed to protect themselves. I have news for him. With our over burdened police forces and court system, most Canadians already know they need to protect themselves.

Guns are a necessary part of life for many people in northern B.C. Farmers need them for predator control. Trappers and guides use them every day in their work. Hunters use them to help stock their freezers. Many of us also believe that we should be able to use guns for personal protection, to defend our homes, our families and our property.

The criminals laugh while the rest of us become their victims and have our civil liberties taken away. This is how the Liberal government deals with gun related violence. People need to be able to defend themselves in situations in which the police, as much as they would like to, cannot.

In Edmonton a man shot at intruders in his yard and he is the one facing charges. The papers called the thwarted robber the victim. If we are to have true justice the rights of the innocent defending their homes must supersede the rights of the guilty who are trying to rob them.

Today the criminals are called the victims and society apologizes for their behaviour. Meanwhile responsible citizens have more of their rights infringed upon because the police and the courts cannot keep up.

This government is trying to convince Canadians that gun control is the same thing as crime control. Maybe it is easier to go after law–abiding gun owners than after hardened criminals. I do not believe it is going to solve the crime problem and I do not think most Canadians do either.

I do recognize, however, that there are positive aspects to this legislation. If the hon. members opposite would listen, I will list the positive aspects.

For example, I applaud the changes to section 85 for the use of a gun in the commission of a crime. It has been beefed up to include imitation firearms and use during flight or the attempted commission of a crime. Although the first offence only gets 1 to 14 years, subsequent offences will net a criminal 3 to 14 to be served consecutively to any other sentence related to the same event.

However, these changes are meaningless if the charge is plea bargained away in our overcrowded courts. On the first offence a criminal would also be prohibited from owning a gun for 10 years. If he or she violates this prohibition order, they are subject to a maximum 10–year sentence. It does not say if it is consecutive.

• (1640)

I have some questions about whether the 10–year maximum for violation of the prohibition could ever get tacked on to a maximum 14–year sentence for using a gun in another crime. I think a potential 24–year sentence for using a firearm again would certainly make some criminals think twice before acquiring yet another gun for illegal purposes.

Making sentences tougher on the books will not mean anything to criminals if our judges will not impose sentences consistently or if gun charges are plea bargained away. Imposing a mandatory minimum sentence for armed crimes has no deterrent effect if criminals do not get a consistent message.

The minister has given law enforcement officers greater powers under this bill for search and seizure. The police need to be able to go into a domestic violence situation with the ability to remove firearms while the situation is still out of control.

However, this minister has given police far greater powers. Under section 117.02 police officers can enter any premises, except dwellings, without a warrant if they suspect someone has not registered their shotgun. Why does this justice minister believe people sign away their rights to privacy simply because they choose to own a gun?

I would like to draw the attention of the House to section 112 which says many regulations made by the governor in council do not have to be laid before the House. I find it very disturbing that further regulations can be made with respect to the Firearms Act or part III of the Criminal Code without coming before Parliament.

A small handful of people can make regulations affecting millions of gun owners and there is no public accountability or scrutiny before going into effect. I do not believe it is right that a handful of bureaucrats should be able to make regulations that can land Canadian citizens in prison.

The Minister of Justice believes Canadians widely support all of his gun control initiatives as we have heard countless times in the past and again today. Why does he not have the courage to place all orders in council related to his Firearms Act before the House? Why does Bill C–68 make it so explicit that regulations can be passed without parliamentary approval?

More important, why does he not separate his new Firearms Act pertaining to legal gun owners from his amendments to part III of the Criminal Code dealing with criminals? He has said in the House today that the reason he has drafted the Firearms Act is to address the concerns expressed by legitimate firearms owners, that they feel certain violations pertaining to them should not fall under the Criminal Code.

If he is convinced this has widespread support, he should have the courage to separate these two issues and defend each on its own merits.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am frankly sick of listening to the flagrant misrepresentations the hon. member is indulging in with his efforts to mislead the Canadian public as to what is going on in this bill. He knows perfectly well he is doing it and he should be ashamed of himself.

I refer him for the purpose of clearing up the error—perhaps he will admit his deliberate error—to section 92(1) of the proposed new bill currently before the House. Page 68:

> Subject to subsection (4) and section 98, every person commits an offence who possesses a firearm knowing that the person is not the holder of
>
> (a) a licence under which the person may possess it; and
>
> (b) a registration certificate for the firearm.

Subsection 3 says:

> Every person who commits an offence under subsection (1) or (2) is guilty of an indictable offence and liable—

—to the 10 year imprisonment to which he referred. This is a person who committed an offence possessing a firearm knowing the person was not the holder of a licence and that the gun was unregistered. In other words, it is the criminal misuse of firearms.

Let us go back to section 91(1) of the bill:

> Subject to subsection (4) and section 98, every person commits an offence who possesses a firearm, unless the person is the holder of
>
> (a) a licence under which the person may possess it; and
>
> (b) a registration certificate for the firearm.

Then it says in subsection (3):

> Every person who commits an offence under subsection (1) or (2)
>
> (a) is guilty of an indictable offence and liable to imprisonment for a term not exceeding five years; or
>
> (b) is guilty of an offence punishable on summary conviction.

He knows that an offence punishable on summary conviction carries a maximum sentence of six months or a $2,000 fine. It also carries the possibility of an absolute or conditional discharge. He knows that the innocent gun owner who fails to register will be charged under that section, not someone who is committing an offence which is the section he is referring to when he talks about 10 years. He is misleading the Canadian public. He should apologize for his deceit.

• (1645)

Mr. Hill (Prince George—Peace River): Mr. Speaker, I am very pleased that we are able to excite the opposition across the way.

What I was referring to—and I stand by my earlier statements—is that there are two classes of people when it comes to registering firearms. There are those who will be covered by section 91 who will for some reason not hear about it. I cannot imagine who they will be because everyone, before we get done, is going to know about this. I do not think the government can keep it a secret much longer. The word is getting out.

For those who inadvertently do not register their firearms, the hon. member is quite correct, under section 91 they will either be facing a jail term of up to five years or an offence punishable by summary conviction which could be as little as a fine.

However, section 92 pertains to people who willingly disobey and do not register their firearms. For this crime, the government has decided that 10 years imprisonment is a justifiable sentence. I have talked to hundreds and hundreds of gun owners throughout my riding.

In January I took a tour throughout my riding which covers the whole northeastern corner of British Columbia. I tried to talk to as many people as possible. We held meetings on this. As one of my hon. colleagues said, I did not try to drum up the anti–gun control sentiment. I merely went to these meetings and asked the individuals how they felt about it. I did not have to ask very loudly because they were very forthcoming with their sentiments about more gun control and certainly about registration, not only on restricted firearms but on long guns as well.

I asked them in confidence, without revealing names, how many of them were going to be registering their firearms. I did not find one individual in my travels who said he or she would willingly and voluntarily register his or her firearms.

Under section 92 those individuals, if they have willingly not registered their firearms, will be subject to 10 years of imprisonment. That is how I read this, but I admit that I am not a lawyer, and thank goodness I am not a lawyer.

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, I listened to my hon. colleague give his speech and I have a couple of questions I would like to ask him.

Regarding the numbers and stats, how far did you go in trying to find this information? Were you able to get this information from the Minister of Justice or his department? Also, with you living in a rural area how long would it take for the police to respond?

The Acting Speaker (Mr. Kilger): We use the word "you" so often that somehow there is sort of a dialogue going on between the two of you while the rest of us are attentively waiting to get involved. I certainly do not want to be forgotten or left out. Please, through the Speaker.

Mr. Stinson: Mr. Speaker, I certainly do not want to forget about you either.

Through you, Mr. Speaker, I would like to ask the hon. member how long it would take the police force to respond to his home in case of an emergency if he was to dial 911 like we normally can in most cities?

• (1650)

Mr. Hill (Prince George—Peace River): Mr. Speaker, I thank my hon. colleague for his questions.

As I indicated in my speech, it is simply not possible for our police to get there on time. If we talk to the policemen one on one they readily admit this.

Statistics clearly indicate, unfortunately, that the vast majority of times when police are responding to a crime, by the time they get there the crime has already taken place. Their job is to try to investigate and hopefully apprehend the criminal. That is the job and the duty of the police in most cases. On rare occasions they can intervene in time to save someone from assault, rape or murder, but it does not happen very often.

In my case, because I live outside of town, I suggest it would probably take in the neighbourhood of half an hour for the police to get there if someone was breaking into my home. We see increasing evidence across the country that citizens are concerned. There is increasing evidence of home invasions, where young hoodlums break into homes, often targeting the elderly. They break into these homes for no apparent reason. Many times the people are at home and they have no means to defend themselves.

I guess the answer to my hon. friend's question is that it would probably take about half an hour before the police could respond to a break–in in my home.

As to how much effort I have made to try to get statistics from the government, I referred in my speech to the fact that last June I asked a question during question period of the minister requesting the statistical evidence to prove how even the existing gun controls under Bill C–17, without registration, were working to prevent crime, to bring down the levels of violent crime and the criminal misuse of firearms. Nothing was forthcoming.

On October 28, 1994 I placed a question on the Order Paper. I could read it but it is quite lengthy. It consists of seven specific questions that ask the government to provide proof to us, and to the Canadian people, how legal firearms pertain to crime in the country.

I will refer to one of the questions, which is part (c) of Question No. 96. In that question I was referring to section 85 of the Criminal Code, which is already in force. The question is as follows: "How many of those charged with this offence were the legally registered owner of the firearm used in the commission or attempted commission of the crime?" It is a very simple, straightforward question asking for statistical evidence.

What was provided after three months, not 45 days, was the following answer:

> The Uniform Crime Reporting Survey—

which comes from StatsCan:

> —does not collect information which can distinguish the number of criminal offences which have been committed with the use of legal firearms. Prior to 1992 the Homicide Survey collected data on registered and non–registered firearms, but because this information was grossly under–reported (90 per cent unknown) the data are no longer collected.

That is the best the government could provide to me in the way of statistics to show that legally owned firearms have anything to do with curbing crime.

Mr. Raymond Bonin (Nickel Belt, Lib.): Mr. Speaker, the people of northern Ontario have a culture that is unique, and part of our culture is hunting and fishing. My riding of Nickel Belt is a rural riding. I probably have more hunters and fisherpersons than most of the Reform members.

I support this legislation and I have supported registration since we began to speak about it. As a matter of fact, during the campaign we had 12 debates and I made it very clear that our policy was to fight crime. We have presented legislation which will fight crime.

Part of this bill deals with the smuggling, the importing, of arms. It is a very important part of this legislation.

• (1655)

The next package that will be coming is sentencing. The Reform Party would like to throw everybody in jail and throw away the key. That is not the way we want to run the country. Probation is a very important issue for the government. The Young Offenders Act is very important as is the gun bill or the gun and rifle registration.

How can a government that is serious about fighting crime, a government that is responding to requests from Canadians from all over to combat crime, a government that wants credibility say: "We will look at importation and smuggling. We will look at sentencing. We will look at probation. We will look at family violence. We will look at the Young Offenders Act but we will not talk about guns or rifles. We will not talk about this".

How can any politician have credibility and say, we will fight crime but we will not talk about the weapons that kill people?

I intentionally prepared this speech not wanting to use statistics. The reason I am not using statistics is that I do not have to stand in the House to convince my colleagues from the Bloc Quebecois. Very seldom can I stand and say that I agree with what they are doing. They agree with this bill.

Even though its members want to leave our country—they will not leave—they have the good sense, they have the wisdom and they care enough to want to leave behind a country that is safe, a country that continues to be the envy of the world. In the end that is why they will not leave. They will stay with us and feel good about having supported this legislation.

I will not spend too much time referring to the Reform Party because it is very clear that its view of Canada and my view of Canada differs immensely. I would not spend valuable time in the House trying to compare the views of these individuals who do not care who has guns, who do not care how many guns there are, who do not care what kind of guns they are, who want to throw everybody in jail, who say: "Hang them. Bring back capital punishment if you want to eliminate crime".

An hon. member: Good idea.

Mr. Bonin: "Good idea", he says. Do all these things. One thing we never hear is "do it with compassion". Talk about the individuals. Talk about the families of criminals, because they are victims also. If we do not deal with people everything is so simple.

When I have a discussion with a group it really scares me when one individual in the group has all the answers, when one individual for any problem that one can present has a solution. It is usually a very simplistic solution. I get my share of hearing simplistic solutions when I listen to the Reform Party address the House.

The people representing Canadians on all sides of the House have worked for years to make Canada a safe country, a safe society, a place where people want to emigrate to and contribute to and create wealth.

My two sons are married and I am very proud of that. They married last summer. The next step will be grandchildren. I look forward to it. I spoke so proudly a few minutes ago about northern Ontario and Nickel Belt but there are things that I am concerned about for my grandchildren.

I have brought a newspaper article. I have them by the dozen in my riding. "Former boyfriend shoots single mom then commits suicide in apartment". That was in my riding and there are a number of them.

• (1700)

Mr. Grubel: It was a handgun.

Mr. Bonin: I hear remarks. This does not affect individuals who care not about people but it affects me that this young woman was shot and killed. It affects me that every six days it happens in Canada. When we say it, we hear silly remarks from individuals who do not care about people. They ask whether the gun was registered. If it was registered, would it make it okay? No, that is not the issue.

Mr. Morrison: That is the question.

Mr. Bonin: That is not the issue. The issue is that for a number of years in Ontario and elsewhere in Canada you could buy guns if you owned an FAC. If you did not own an FAC you could not buy guns. That is fine.

What has been happening is that people are starting to think differently about guns. I come from a culture where there was a gun on the wall. It came from dad, a beautiful short .22, a masterpiece. We all wanted to inherit it.

The issue is that people are tired of guns. People who do not use them say that it is too cumbersome and too much trouble to own rifles. They want to get rid of them, have them taken off their hands. Someone with an FAC could take it off the owner's hands for 20 bucks. The person with the FAC bought it, legitimately and legally. The result of that is there are people in my riding who own 250 and 300 rifles legitimately and they are not registered.

Mr. Morrison: So what?

Mr. Bonin: The so what is that come June, junior boy or girl graduates from high school and throws a party. There are 300 people in that house and a fight breaks loose. Members are laughing. We are talking about possible victims and they are laughing. When the fight breaks out and the police are called they say: "Give us a break. Give us a chance. Before we knock on that door we want to know if there are 300 guns downstairs". And these members laugh.

This legislation is just a small piece of a large puzzle. All members of Parliament take their jobs seriously, even my colleagues from the Reform Party. I know they take their jobs seriously. I do not think their motives are correct, but I think they believe in them so they are doing the best they can.

I take this very seriously. Gun control is very serious. Guns are serious. However it is not the most pressing problem in my life. I want to deal with this, I want to pass it and I want to get it done.

Then I want to move on to senior citizens who are losing their ability to support themselves, some of whom are lonely and addicts dying alone. I want to deal with people who cannot find jobs. I want to deal with children who go to school in the morning with cramps in their bellies because they do not have food. I want to move on. When we deal with these issues I hope my colleagues will have the same vigour they have when they take so much pleasure in talking about guns. What a fun thing to talk about.

I want to deal with family violence. I want to deal with the deficit. I want to deal with the debt. For Canadians to be part of a democracy, if the price they have to pay is to register their guns and their long arms then I am prepared to do it. I will be the first to line up to register mine.

Reform members say that registration will not eliminate all serious crimes so we should not do anything about it. They do not worry about how many guns people have. They do not worry about the kinds.

• (1705)

The Canadian Association of Chiefs of Police say that we need gun registration. The police association says: "We support registration. Help us do our job". The Reform Party says: "They do not know what they are talking about". The police officers want it. Their associations do too.

The Reform Party spoke of motions that were presented by towns and municipalities. The FCM represents all municipalities in this country and it supports this. But the Reform Party says: "They do not know what the heck they are talking about". The list goes on. I will not name them all because it will take up my 20 minutes.

Nobody knows anything about anything, only the few members of Parliament here on the Reform side who do not even agree with the majority of people in their own ridings.

Mr. Morrison: What about the 12,000 people who marched on Ottawa?

Mr. Bonin: Last summer was when the debate first started and I remember full well. It has been a good debate. We have served our constituents well. We have met with them. Many times my constituents were misinformed and they disagreed with me. I met with them anyway and I took my bumps.

Last summer when we met for the first rally, here is what was distributed. It is very interesting that many of the lines that are used in the presentations by the Reform members are lines that are used in the documents of propaganda. It may be a coincidence.

This is how the debate started: "To all firearms owners, the federal Minister of Justice wants to ban all firearms in Canada. Contact your member of Parliament immediately and tell him or her the following: This is unacceptable. Firearm owners are tired of being punished for the acts of criminals. Members of Parliament who advocate gun control or the banning of firearms and ammunition banning are attempting to deceive Canadians into thinking that gun control will prevent or reduce crime. Banning of firearms and gun control will not prevent or reduce

crime. Criminals do not obey laws", and it goes on to talk about polls. When I heard these things at the beginning I said no.

The media called me and asked whether I supported the banning of all guns, arms and long rifles. I said that I did not support that as it is part of our culture. I still have guns. Every year my brothers phone me and ask: "Are you coming hunting with us this year? You have not been hunting with us for a number of years. You are so involved with your politics you never have time to come hunting". But I will go back. Someday I will retire and I will go hunting. I am a legitimate gun owner and I will be the first one lined up to register my guns.

But then there was a debate. People call it a rally. There we were, as we usually say, two against a thousand. But it was two against about 250. It was amazing. The information that came out of that room was scary. When it was over I moved through the hall talking to individuals. I asked one individual: "What is the problem for you?" The answer was: "It is going to cost a lot and it is not going to work". I asked: "If it does not cost a lot and it is an efficient and effective system, can you live with that?" The answer was yes.

Do you know what? One of the organizers stepped in and said: "Do not say that. That is what Hitler did. He registered all guns and then he confiscated them all". That is the fear that was put into them. Some of these people were senior citizens. The reason they were concerned about the cost is because it is difficult for them to make ends meet. These organizers put that fear into their minds. They said: "That is what Hitler did". I heard Hitler's name so many times it was scary.

My answer to them is that in Canada we have more boy scouts and girl guides than we have soldiers, so we cannot go in and confiscate all those guns. We have no intention of doing it and we do not have the capacity to do it.

• (1710)

We kept getting the calls. Getting the calls is very difficult because everyone agrees that we work long hours and it takes time. However, that is the best way to deal with the issue. I would rather get 100 phone calls than meet 100 people in one hall because I know I can give the correct information and mail out documents.

Canadians are reasonable when we pull the individuals away from the people who try to influence their way of thinking. They understand common sense. They tell me that if it is cheap and reasonable, there is no problem and they will register them. That is what is happening and it will be cheap.

We continued the debate and the fear mongering kept happening. Now we are here with a document. We had a document before Christmas which I mailed out to many people. Some people will never agree with anything that is said. Maybe they were former Reform Party candidates, I do not know, but they will never agree. It is impossible to discuss common sense with them. Now we have a document so I am calling them.

If I have a few minutes I call them and say for example: "You are a target shooter and you are the first group I went to see. I went to see you at the range on a Sunday morning". Like the minister, I was impressed at the seriousness of these people and how they are careful to check their members. I remember being asked for a letter of reference for a person who wanted to become a member. They go through the whole thing. It impressed me. That was at the time when it was being said that we would confiscate all these things. The media was saying it and the Reform Party was saying it.

I said to them then: "No. The Liberal Party does not do it to the people; we do it for the people. We are being asked to do it and we will do it for Canadians". Now I call them and I say: "Tell me what the problem is with the bill in the way we have presented it. Does it prevent you from practising your sport?" One of them said: "Well, the .32". I said to him: "No, in the legislation you will find that all guns and rifles that are used in legitimate competitions will be permitted". They had no problem with that.

Some will have a problem. When I go back they will have heard this and they will say: "Ray, you said I would have no problem and I have a problem". I agree that some people will have problems.

Before talking about the collectors, just before I left home I saw a sad thing on TV. I cannot even begin to tell you how many rifles, guns, grenades, rounds of ammunition, launchers and machine guns that someone turned over. The discussion was bringing people out of the woodwork. This was in a private home. It scared the heck out of me. We do not know who the individual is. For all I know, it could be my neighbour. I do not think so but it is somebody's neighbour.

I called the legitimate collectors and asked them if they had a problem. They do not have a problem any more. They have intelligently and reasonably brought their comments to the Minister of Justice either directly or through us and their concerns have been addressed. Their investment can now be sold to other collectors of the same nature and the estate can sell them. Brokers eventually will sell them outside the country, the illegal ones. Eventually they will be gone and I will be glad when they are.

Some people said: "Well this gun came from my great–grandfather". When they told me that I brought it to the attention of the Minister of Justice because I had to agree with them. It is not a gun that will be used even for target shooting. It is just great–grandpa's gun or rifle. It is something that you do not sell, there is no value in that. Now we are going to find a way for people to pass them on.

• (1715)

We are left with registration, the only other problem we can have now. The minister has repeatedly told us today that it will be cheap. It may be free. I am talking about registration. It may be free and will be very reasonable. I am talking about people. I am talking about the gun owners.

It is difficult for the Reform Party to relate that I am talking about individuals. It is talking about the 85 million, because it does not know how to associate an issue with individuals. That is what we are talking about here today. The cost will be very reasonable. It will be efficient.

After we had our discussions, our rallies, the pro–gun groups were still not satisfied. I understand it was because there was so much wrong information going around. On their behalf I asked the justice minister to come to our region to talk to the people who are against him.

As backbenchers they say we do not count in this House and cannot do a thing. We, the backbenchers, were able to ask our Minister of Justice to come to our communities to talk to the people who are working against him. Tell me another country where that happens. That does not even happen in the United States, a democracy. However, in Canada it does because we have a Minister of Justice who cares about people, individuals. He covered six ridings.

It was suggested that we invite four individuals in each riding. I invited the president of the local gun club. I did not try to dodge the issue, did I? I invited the president of the local gun club who was against the legislation and probably still is. I will have to phone him when I get back home.

I invited the president of the fish and game association, who is adamantly against it. He bought a membership in my riding and he was going to the annual meeting in Toronto, and we did not try to stop him or railroad the meeting. We welcomed him. To balance the load, I invited the crown attorney because they meet the victims.

My fourth candidate was Dr. Bota who works in emergency at Sudbury General Hospital. This is the individual who meets the victims, sometimes teenagers who try to commit suicide with these long rifles lying around uncontrolled in their homes. They blow off half their face. He works on them for hours and hours. He saves them and tries to rebuild their features. These young people are still alive. They are discouraged individuals. If we can save one of them, it is worth it. One in a hundred years is worth it.

Let one go. It is just an individual. That is what I am hearing—embarrassing. The hard core individuals said the figures were all wrong in Dr. Bota's study, who had just marked real cases, a real scientific poll.

Canadians have asked us to do something for them. They have asked us to make Canada safe. The women of Sudbury who are walking one night a year to take back the streets that are too dangerous are saying do it.

I say to the minister let us do it fast, in spite of the members from the Reform, because we know the people they represent want us to do it too.

• (1720)

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, I really do not know what to say about this. Most of what I heard was absolute nonsense.

Not all of what he said was nonsense. He talked about saving one life. An individual told me of this actual account where an elderly couple was driving through the United States. Somehow they got off the turnpike and down two or three miles on to a narrow road. When they ran out of gas, he took a container and tried to get back to the highway. He got lost in the woods and they never saw him again but his wife had some supplies in the motorhome and she was able to live for two weeks. She was saved by a hunter who found her. He saved one life. I agree with my hon. colleague.

There are both sides to this argument and we should recognize both sides. He has certainly taken a shot at the Reformers but he should take a look and save some of his energy in terms of discussing what we stand for and why we are against this bill. He should talk to his own backbench. He should perhaps clean up his own House if he thinks that this bill is absolutely waterproof and bulletproof. Start there.

He told the story about selling his guns to a person who had a FAC. He has over 200 guns. He told about a party and problems arising and the police being called in. It sounded to me as if everyone was going to run for a rifle.

I spent 14 years as a peace officer and I have never heard such nonsense in all my life. Even if that did happen, what difference would it make to the police or anyone else if those firearms were registered? What difference would it make? This is the essential question that we ask.

For those who commit suicide, what difference does it make if the weapons are registered? For women who are shot every six days in this country, what difference does it make? This bill does not attack the cause, domestic disputes. It does not attack the cause of suicides. That is what we are saying ought to be done.

Certainly if registration is going to reduce that, please tell us how because we do not know how. We have as much concern about these matters as anyone in the House. We have sons and daughters, brothers and sisters and aunts and uncles. They are not immune to these social problems. We have as much concern about that as anyone across the way.

We ask very simply how will the registration of these 200 firearms have any impact at all? Reduce the suicides. Reduce the domestic occurrences. How will it do that? I did not hear a thing. I never heard a thing that the hon. member said that went anywhere near answering that question.

That is what the common sense people are asking for. I have told the people all across the country where I have met with them that I would be willing to give up my right to own the old weapon that I have locked away if it would reduce the criminal use of firearms.

It is not going to reduce the criminal use of firearms. It is simply not because we know where they are getting them from. He has given evidence of that. The haul that the police made in Vancouver on all of these weapons being smuggled in is evidence.

As a peace officer I know we get about 10 per cent of the infractions that occur. One can multiply that haul by about 90 per cent for the day. We have some understanding of the number of firearms being smuggled into our country.

If statistics and evidence can be submitted to suggest that this will save lives, we have not seen it yet and that is what we are asking for.

• (1725)

Before the hon. member comments on what I have had to say, I would like to point out one glaring error in the statistics which have been given to the House in this debate. In 1977 the Auditor General's report indicated clearly that the reduction in violent crime through the use of firearms was beginning before the legislation came in. The Auditor General said that it was wrong to assume that the total responsibility for the dip which had been reported in the House after the 1977 legislation was brought in was the only cause for the decline because there were causative factors which came to bear prior to that.

I leave that information for the hon. member. I have been in northern Ontario, by invitation, and I welcome him on the campaign trail during the next election if he continues his stand on this issue.

Mr. Bonin: Mr. Speaker, the challenge is accepted. I will be running in the next election and I will support this bill.

I am here to do a job. I am here to do what is good for Canadians. Unlike my colleagues on the other side, everything that I do in politics is not measured by the number of votes that I will be getting. I am here to do an honest job. I swore an oath. I told people about the way that I do my politics and my politics are done for the good of the people I represent, not to be re–elected.

It is fascinating that people who question every simple statistic presented by reputable companies, who have disputed every poll done by credible, reputable companies are saying show them statistics. We know already they will say they are all wrong, only their statistics apply.

My hon. colleague who asked the question said that he was a police officer and that he had never heard of such hogwash. When I said there were 250 to 300 rifles in some of my constituents' basements, it is because a crime was committed in one of those homes, the wife was killed and suicide occurred. I do not make up these stories. They break us up when we think about them, when we think of their children and their neighbours. It is not hogwash. If that is the type of police officers in his community, I am very pleased he was not a police officer in northern Ontario. I will leave it at that.

The Acting Speaker (Mr. Kilger): We have very little time before we move to the next order of business at 5:30. I will take a question from the hon. member for Red Deer, but wanting to give an equal amount of time to the hon. member for Nickel Belt to respond, I hope that the intervention will be brief in order that he may give a brief response.

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, I will make my question very brief. I will not try to answer or discuss any of the claims which have been made. However, what I would like to do—and you know the facility that I am talking about in central Alberta, between Edmonton and Calgary—is challenge the minister to stand in front of the thousands of people who would come out to hear the facts about this whole gun control legislation and tell them why they should vote for it. That is an open challenge to the minister to come to tell the people the facts. There will be thousands.

I just brought down a petition which had 5,000 signatures. That gives us an idea of the interest which exists. These people want to hear answers, they want the truth and they want the facts.

I challenge the minister to take me up on that.

[*Translation*]

Mr. Bonin: Mr. Speaker, the justice minister travelled to Alberta on at least five occasions. Possibly the hon. member opposite was misled when I said that, as a back–bencher, I had asked the minister to come and visit my riding. I think he heard somehow that I was the Minister of Justice. He heard wrong. Mr. Rock is the Minister of Justice and I am the back–bencher.

I would like to address the first question, as I am told it was not answered. How will registration help reduce crime? Already, I have widows phoning me to say: "I have rifles here and I do not know what to do. Can you help?" Already, people in my riding are starting to say: "We have rifles at home and we want to get rid of them."

People who own between 200 and 300 rifles will take them out, women will make sure that men get rid of rifles, and vice versa, and the problem will be solved.

[*English*]

The Acting Speaker (Mr. Kilger): It being 5.30 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

FINANCIAL ADMINISTRATION ACT

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.) moved that Bill C–263, an act to amend the Financial Administration Act and other acts in consequence thereof (exempted crown corporations), be read the second time and referred to a committee.

He said: Mr. Speaker, the message was loud and clear to every member of Parliament during the last election. Our constituents demanded accountability.

All members of the House were asked by their constituents to come to Ottawa to work toward solutions to the debt problem facing our nation. I am sure all hon. members would agree that as elected representatives of the people we ought to work toward ensuring accountability in every activity of the federal government.

The Canadian people want us to provide the means by which we can all come to trust the government. When it concerns government programs my constituents, and I am sure many MPs feel the same way, are very inquisitive. They are like investigative reporters. They use the five *ws*: who, what, when, where, why and all the time when it comes to government programs they ask how much it is going to cost. The people of Canada want to know. They want to be proud of the activities and the performance of the federal government.

Bill C–263 provides all members of the House with an opportunity to say to their constituents that at least in some small way we have come together to work toward ensuring that the federal government is accountable to the Canadian taxpayer.

I feel strongly that members from all sides of the House should rally in support of Bill C–263 so that we can honestly say we have tried to respond to the wishes of the people who sent us here.

Bill C–263 is not all encompassing, dictatorial, unable to change or restrictive. Bill C–263 is flexible. I have tried to provide an occasion for all corners of the House to work together and at the end of the day five crown corporations will be more accountable. We will all feel as though we have done a good day's work and proudly report to our constituents what we have done. Our constituents in turn will take note of our work and they will feel we are serious about doing positive and constructive work.

As members know, in the 1993–94 fiscal year crown corporations incurred losses of $57.2 million. Their net borrowing from the Government of Canada amounted to $14.2 billion and they received $4.6 billion from the government through budgetary appropriations.

We say $1 billion so often it just floats by. How much is $1 billion? It is such a massive amount. If you earned $1 per second you would be a millionaire in 11 days; but it would take you 33 years to become a billionaire.

When we are talking of billions of dollars it is very important that we do not just flash by it very quickly and nct understand how large a sum of money it is. Our task is to ensure for our constituents that every government department and agency be accountable for every tax dollar spent. I dare say that everyone in the House wants to be able to say to the people at home that we are responsible to the people who ultimately pay the bills, the Canadian taxpayer.

• (1735)

On those occasions when constituents ask us why it is that certain public corporations do not report their financial status, members have no satisfactory response. The average Canadian wants to know about all federal agencies and departments.

When constituents hear about an activity financed by the government and they are not allowed to know about the finances associated with that activity, they become quite interested. They are concerned that maybe there is something to hide.

The Auditor General has a key role to play in this regard. In many cases, which I will refer to in a moment, the Auditor General has not only made available publicly the exact facts and figures concerning the activities and performance of the federal government, but the Auditor General has been able to improve such activities and performance levels by dissecting and evaluating agencies and departments.

There is no shame involved in the work performed by the Auditor General. The auditor's detection of poor performance and recommendations is seen by Canadians as routine and expected. Canadian firms, large and small, perform audits on their own activities and performance. Often the audits show that they are right on track with their objectives. And sometimes they must swallow tough medicine to cure ailments detected in their business audits. This is a fact of life. Canadians expect their government to follow good business practices as well.

No one can deny the performance of the Auditor General in recent history. Progress has been made. The Auditor General has

the power to follow up on recommendations. The result has been that in many cases Canadians are realizing better value for their tax dollars because of the efforts of the Office of the Auditor General.

In May 1994 the members of this place took a step closer to greater accountability by freeing the Office of the Auditor General to report on matters which the auditor deems pressing. Members of the House have already moved in the direction of Bill C–263, by endowing the Auditor General with a measure of discretion. In fact, there was a great deal of agreement on all sides of the House. We saw this as a good thing, a chance that would enhance the Auditor General's ability to do the job expected of the office.

Canadians want their watchdog to have a long enough leash. We all wanted to further empower the watchdog last spring, and I am sure I speak for all of us when I say we were proud to do so.

With reforms instituted in 1984, most crown corporations have operated within the accountability framework established under part X of the Financial Administration Act. Part X of the act requires each crown corporation to do three things:

There must be an annual report. The annual report in addition to its financial statements in the auditor's report also presents information on how well the objectives of corporations were achieved during the reporting period. Crown corporations must submit a corporate plan. They must submit budget summaries for tabling in Parliament.

In my view, these requirements are basic and simple. They are not unreasonable. Yet we have a system where all crown corporations are not required to do these basics.

Canadians expect that their tax dollars are spent within this framework of accountability. Again, when Canadians hear of moneys being spent by the government without the above criteria, they become suspicious. There is good reason for Canadians to feel this way. The Financial Administration Act could be easily made applicable to the crown corporations listed in Bill C–263.

There are 49 crown corporations, seven of which are exempted from the Financial Administration Act. They are the Bank of Canada, the Canadian Broadcasting Corporation, the Canada Council, the Canadian Film Development Corporation, also known as Telefilm Canada, the Canadian Wheat Board, the International Development Research Centre and the National Arts Centre. Bill C–263 would move these crown corporations under the supervision of the Auditor General with the exception of the Bank of Canada and the CBC.

With respect to the Bank of Canada, central banking independence is critical for the proper conduct of monetary policy. Monetary policy is ultimately the responsibility of the federal government, specifically the Minister of Finance and the executive of the Bank of Canada. There are informal avenues of accountability to which the governor of the Bank of Canada is subject.

• (1740)

With respect to the CBC, provisions of the Financial Administration Act were incorporated into the Broadcasting Act in 1991. In short, the CBC is already subject to the accountability requirements of Bill C–263 and the Financial Administration Act.

This latter point is important for all members to note. The CBC is the recipient of about 70 per cent of government funding provided to exempt crown corporations. This means that Bill C–263 is finishing the job already accomplished by Parliament. Since 1991, the CBC has adjusted to the accountability requirements of part X of the Financial Administration Act.

Hon. members may agree with my observation that the CBC, more than any other exempt crown corporation in Bill C–263, was most insistent about the idea of the critical importance of an arm's length relationship to government. Yet the CBC has not had any of the difficulties that it anticipated in adapting to these accountability requirements. The CBC has been operating within this framework for the past four years.

I can remind my colleagues that the Auditor General already performs financial audits on the five crown corporations in this bill. These audits do not permit the Auditor General to comment on the appropriateness of the activities of the five nor is the auditor able to comment on the extent to which each fulfils its mandate. As it stands now these are not value for money audits.

Value for money audits are done every five years. They are different from the annual audits in that they comment on corporate management, goals and objectives. I think it is fair to say that the boards of the exempt corporations should welcome the value for money audits. It is not unthinkable that the board members would look on the audits as helpful to their work as well as a positive accountability measure.

In the course of my work and research concerning this bill, I have stumbled across some very interesting things. For example, I have a letter from Tommy Banks, a member of the Canada Council audit and evaluation committee which he wrote to me shortly after I began working on my bill.

In his letter, Mr. Banks heralds the benefits of special examinations which the Auditor General has been invited to do for the Canada Council every five years since 1986. Mr. Banks

states that "the glaring scrutiny by the Auditor General—is contemplated as an ongoing process". Yet there is no formalization of this process. The problem now is that there is no assurance that these value for money audits will be done in a set time frame with the resulting benefits of regular periodic audits. Clearly a legislated requirement is needed.

It has been 10 years since the accountability framework for crown corporations was established. Exempt corporations have had a decade to review and analyse the effects of the Financial Administration Act on the independence of non–exempt crown corporations. By now it is highly likely that crown corporations exempted from the act would conclude that the Financial Administration Act poses no real threat to them. The CBC is an illustration of this. Provisions of the Financial Administration Act were incorporated into the amended Broadcasting Act of 1991.

The exemption of the seven crown corporations means that they have not been subject to certain provisions that support good management and accountability. As such, their exemption is hard to justify in these times of fiscal restraint. These exempt crown corporations are more than two times more dependent on budgetary appropriations from government as a percentage of total assets than non–exempt corporations and more than four times more dependent on a per employee basis.

I feel it is reasonable to require the five crown corporations to prepare a business plan so that annual reports can allow Canadians to monitor and gauge the performance of the five. There have been some cases where a crown corporation's annual report objectives differ from its business plan objectives.

• (1745)

An example of that is in 1991–92, Telefilm Canada spent 90 per cent of its film funds on projects from Toronto and Montreal. One film of the 24 supported by Telefilm came from western Canada. Moreover, Telefilm spent 41 per cent of its budget that year on French language film and only 2 per cent on the English language film from the west. We know Telefilm has stringent linguistic targets. Having said that, I think hon. members would agree that the objectives of Telefilm were not fulfilled in the business it conducted in 1991–92.

Even though there are provisions for exempt crown corporations to invite the Auditor General to conduct a special examination, the audit itself is only released to their board of directors, not to this place. The problem with making administrative as opposed to legislative arrangements for voluntary audits is that with a change in administration or administrative policy, these agreements may fall apart. Providing the corporations with an option of inviting the Auditor General in to do an audit is just not good enough.

For example, because the National Arts Centre remains one of Canada's most secretive crown corporations, in 1990 the House of Commons communications and culture committee recommended that the Auditor General perform a special examination of the centre. The board's directors jumped at the chance. Yet the process was fudged. The board had problems releasing the report, even though it initially promised to publish the report.

Some 300 days after receiving the report, which the board originally denied receiving, it finally responded. The Ottawa *Citizen* called the response hilarious. The Auditor General had portrayed the arts centre as an institution that fails to properly define its objectives, plot its future, monitor its expenses and communicate with its board.

In this regard, we can clearly see that inviting the Auditor General to do a special examination or a value for money audit is insufficient. If the Auditor General's office was involved with the corporation on a regular basis, business plan objectives would not deviate from objectives stated in the annual reports.

The benefits are worth the cost of the Auditor General's audit. Reporting is not onerous. It is good management. Value for money audits pay their way.

Another example: In 1992 the Auditor General reported that tax arrangements for foreign affiliates were costing Canadians hundreds of millions of dollars in lost revenue. Following the report, amendments were made to the rules relating to how foreign affiliates were taxed. This ensured that foreign affiliates paid their fair share.

In 1993 another special examination identified overpayments to CPP and old age security, which were between $120 million and $220 million per year. Following the report, an action plan was tabled with the public accounts committee to stop the problem. The government was able to act and produce an action plan.

You may be wondering if the other 42 non–exempt crown corporations included in the Financial Administration Act have increased their accountability since the introduction in 1984 of the act. In 1993 the Auditor General reported that management of crown corporations has improved because of the requirements for planning, strategy, and cost systems, in short, good management practices.

I think we can all agree that in times of restraint those who spend taxpayers' dollars must be more than ever aware that they are answerable for how they spend those dollars. Since part X of the Financial Administration Act has been so effective for other crown corporations, it seems reasonable that the crown corporations outlined in Bill C–263 are in line as well.

In closing, I would like to quote a statement from the director of the National Arts Centre Corporation board, who is recognizing that improvements were needed in the corporation's financial management. The director said: "Given the limited resources which management has at its disposal, tackling the institutional mentality rooted in two decades of lack of accountability has been a monumental task".

I urge all members of the House to support Bill C–263.

• (1750)

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, it is my pleasure to speak today to the bill presented by the hon. member for Okanagan—Similkameen—Merritt.

The bill has as its basic purpose the removal of exemption from application of divisions I to IV of part X of the Financial Administration Act for five crown corporations. These are the Canada Council, the Canadian Film Development Corporation, the Canadian Wheat Board, the International Development Research Centre, and the National Arts Centre Corporation.

[*Translation*]

These corporations, together with the Bank of Canada and the CBC, are exempt under section 85 of the Financial Administration Act. All other crown corporations, which number about 41, are subject to part X of the FAA.

If we study part X, we see that the goal was to provide a more or less standard accountability and control system for all our crown corporations.

The role of Parliament was to hold the government and the crown corporation accountable through the appropriate minister for the public funds allocated to the corporation.

[*English*]

The government's role was seen to be to provide co–ordination, direction, as necessary, and control with the objective of protecting the public's investment and ensuring that public policy objectives are met.

Part X of the Financial Administration Act represents a comprehensive accountability system allowing crown corporations to adopt private sector management systems and practices, while ensuring that government and Parliament exercise certain key approvals.

For example, corporate plans of crown corporations subject to part X require approval annually by the governor in council. As well, the corporation's annual report must be tabled in Parliament. Part X requires that it contain information on how well the corporation has met its objectives.

[*Translation*]

At the end of each calendar year, the President of the Treasury Board must submit to Parliament his annual report on crown corporations and other corporate interests of Canada. This report contains a section which is audited by the Auditor General and which shows to what extent activity summaries and annual reports are submitted in accordance with established criteria for every minister responsible.

[*English*]

It can be seen from this one example how part X is designed to ensure that not only government but Parliament as well is viewed as integral to a sound accountability and control system for crown corporations.

As previously indicated, certain crown corporations are exempt from this part X system. The grounds for exemption, while not found in any written or formal criteria or regulation, reflect some of the special sensitivities in the relationship between the government and these particular corporations.

For example, the perception of arm's length freedom from government direction and decision which involve awarding grants to juried recipients is viewed as fundamental for the Canada Council. The government should not be seen to be dictating artistic merit as a matter of the politics of the day. Similarly, the mandated freedom for the CBC in areas of programming and journalistic independence led to the provision that this corporation also be exempted from part X.

The remaining exempts, five of which are named in the bill before us today, are subject to the elements of accountability found in their own enabling legislation. For example, all are required to provide annual reports for tabling and for those which are dependent upon government subsidization, they are subject to the annual process and procedures of parliamentary supply.

Bill C–263 contains two additional elements of some concern to me.

The first of these is the provision that employees of the National Arts Centre, the Canada Council and the International Development Research Centre become members of the public service. This is moving in the wrong direction.

Crown corporation employees are, for the most part, not public servants. In fact, the legislation creating the four museums crown corporations specifically states that museum employees are not public servants. We do not want to increase the size of the public service for no good reason.

• (1755)

The second element deals with the concept of agent of the crown status being introduced for these three corporations by the bill. This is a complex legally challenging subject that requires some thought.

I believe the International Development Research Centre was specifically made a non–agent for compelling reasons relating to its mandate and the freedom to choose fields of research of international significance. Agencies should not be arbitrarily invoked under the assumption that it removes autonomy.

Clearly, the experience we have had over the last 10 years indicates that generally there may be merit in bringing other exempts under a modified form of accountability framework

similar to the regime that is now in place for the CBC which is different from some of the others. I can and do support that general principle.

Bill C–263 however, while moving these corporations in the right direction, contains certain fatal flaws which I suggest would preclude my support for it today. I urge hon. members not to support it.

[*Translation*]

The most serious flaw is that the bill does not recognize the need for a thorough review of the mandates given to these corporations in order to develop an appropriate accountability framework, without the appearance of unjustified political meddling in sectors where a certain level of independence from the government is in the public interest.

[*English*]

For example, part X contains sections which provide for a directive power for government to override decisions taken by crown corporation boards of directors. This could be construed as a fundamental change in the traditional approach of successive governments allowing cultural crown corporations the freedom to engage in decision making affecting artistic merit or research matters. This issue was thoroughly reviewed in the debates and committee hearings on Bill C–24 back in May and June of 1984.

Looking forward, I see merit in exploring better ways to ensure accountability for the crown corporations named in this bill. Subject areas such as auditing, corporate governance, financial management and control, corporate planning, reporting to Parliament and borrowing plans have been very thoroughly addressed in part X of the Financial Administration Act and have resulted in a system which the Auditor General noted is working well. The hon. member acknowledged that in his speech.

This system can probably be further modified to meet the special circumstances of the majority of exempt crown corporations. Whether this is best achieved through a series of initiatives amending existing enabling statutes for each of the named corporations in question requires further study.

I am informed that discussions have already occurred with some of these corporations as to the best way of achieving this.

[*Translation*]

I have no doubt that additional efforts will be invested to improve the accountability system while giving exempt crown corporations the appropriate level of freedom that Canadians will continue to perceive as being in the public interest.

[*English*]

As this bill stands I cannot support it and do not recommend it to the House.

[*Translation*]

Mr. Richard Bélisle (La Prairie, BQ): Mr. Speaker, the purpose of Bill C–263 is to amend the Financial Administration Act and other acts in consequence thereof.

As you know, these five crown corporations are now exempted from this act. The Financial Administration Act is a very broad law which deals among other things with the running of Treasury Board, public funds, public spending and the public debt.

This act was amended 58 times between 1985 and 1994, an average of once every two months. I will not go as far as saying that there has been a lack of consistency in the Financial Administration Act in the last decade, but the least that can be said is that a flood of legislative amendments were adopted to adjust to a so–called changing environment.

There are currently almost 50 crown corporations in Canada. The overall budget of these corporations is close to $5 billion and together they employ 115,000 people. Their economic impact is therefore considerable.

• (1800)

Although relatively autonomous with regard to their management, these crown corporations are ultimately accountable to Parliament through the minister responsible. These crown corporations' management framework, established in 1984, comes under Part X of the Financial Administration Act.

These crown corporations are accountable; they must submit an annual corporate plan to the minister responsible. They must also submit an operating budget approved by Treasury Board. They must prepare an annual report, that is, the required financial statements and statistical data showing to what extent their goals have been achieved.

Finally, each corporation must conduct internal audits. The corporation's auditor also carries out a special, more comprehensive audit every five years. However, seven corporations are exempted from these legal requirements.

Bill C–263 maintains the exemption granted to the Bank of Canada, which keeps its independence at the management level and may, for example, pursue its monetary policy whatever the government in power.

Bill C–263 also maintains the exemption already enjoyed by the CBC. In any case, the corporation is already subject to the accountability principle—internal and special audits, annual report and corporate plan—through the Canadian Broadcasting Corporation Act which reflects the provisions of Part X of the Financial Administration Act.

The ultimate purpose of Bill C–263 is to remove the exemption from accountability for the following five corporations: the International Development Research Centre, the Canadian Wheat Board and three other corporations involved in the arts: the Canada Council, the National Arts Centre Corporation and the Canadian Film Development Corporation.

If this bill were adopted by the House, all five corporations would be subject to the provisions of the act. They are exempted mainly because of the specific nature of their relationship with the government. Parliament has, until now, preferred to maintain the arm's length relationship of these corporations.

In 1991, the auditor general commented that many exempt corporations had voluntarily conformed with the provisions of the act. Half of the exempt corporations had asked for a value for money audit. Many exempt corporations had also established internal audit functions and audit committees within their organizations.

These corporations can be allowed greater flexibility in terms of management control. Extending certain provisions of Part X of the Financial Administration Act to the five corporations mentioned in the bill would not necessarily mean eliminating arm's length position in terms of administrative control.

According to the auditor general, there are a number of ways in which the rules can be standardized to make exempt corporations more accountable. One way would be to incorporate the provisions of Part X of the act in the enabling legislation for each exempted corporation, as in the case of the CBC, which remains accountable to Parliament but maintains a large measure of management autonomy, which means it is not subject to management audits by the government.

One could also add these corporations to the schedule to the Financial Administration Act while exempting them from certain provisions of the act. Many exempt corporations already conform voluntarily to many of the provisions in the act, so that any concerns that overly vigorous management audits would be detrimental to the mandate of these five corporations would seem to be exaggerated.

In any case, we will vote against Bill C–263 because it goes too far in terms of controlling the administration of these corporations. It would subject the five crown corporations identified to close supervision involving both their accountability and their control over their management.

We would prefer a more flexible approach, such as the one advocated by the auditor general, who proposes incorporating the requirements selected by the legislator in the enabling act of each of the five exempted corporations, as is already the case for the CBC, as we have mentioned.

Each corporation will have to be looked at individually, after analysis, to discover the best way to make it accountable and establish a level of control in keeping with its particular goals and mission. We will therefore vote against this bill, because it gives the same status to all government corporations, except the CBC and the Bank of Canada.

• (1805)

We favour ensuring accountability by making these corporations responsible for their operations rather than by controlling them, as Bill C–263 would have it. We want to increase their accountability, make them accountable to Parliament and thus permit a better assessment of their performance. We are opposed to unbounded control over the management of these corporations. Three of them contribute to the development of the arts, the fourth, as we said earlier, contributes to agricultural development, and the fifth contributes to international development.

We can provide a proper framework for their operations and, at the same time, show some flexibility in monitoring their management practices; this can also enhance the performance of these corporations and their efficiency.

We are also opposed to the bill as presented because it gives the minister responsible the right to interfere in the mandate of cultural agencies. Such agencies must be accorded greater flexibility in their activities.

Bill C–263 does not resolve the issue of the accountability of crown corporations since, as the auditor general himself has said, several non–exempt corporations do not comply with this principle of accountability, even if they are subject to it. They do not respect all of the accountability requirements prescribed by law.

This bill increases only slightly the accountability required of crown corporations. It seems to us that other means could be used to hold these crown corporations accountable for their results to a greater extent. This does not mean passing legislation. The auditor general's input can be extremely helpful in evaluating their results. Likewise, the fact senior executives of such corporations must appear before standing House committees, such as the public accounts committee, to account for their management, serves as a powerful incentive to produce the required reports and present documents of higher quality.

We favour this type of approach since it seems more effective to us than new legislation.

[*English*]

The Acting Speaker (Mr. Kilger): Before the member proceeds with his intervention, on the basis that the mover of the motion spoke to his motion and the next two interventions were

against the motion, I am going to look to the same party as the mover and possibly he will speak to the motion.

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, I have listened with some interest to the member opposite representing the government and the member representing the Bloc who just finished speaking to the bill.

The intent of the private member's bill is to bring more financial accountability to crown corporations. These are not public corporations; they are crown corporations. It is kind of a hybrid. It is not as though they are using their own money; they are using our money.

How is it that a member of Parliament representing the people of the country, especially the member for Kingston and the Islands, the parliamentary secretary to the government House leader, could possibly say that he cannot support the bill as it is written? What would it take for the government to support the bill?

Perhaps the answer is not to support the bill. Perhaps it would be to privatize it. Mr. Speaker, if this were your money or my money, or the money involved was not public money but personal money out of the pockets of Mr. and Mrs. Taxpayer, would we be looking at our responsibilities as members of Parliament a bit differently?

A crown corporation has the benefit of being supported by public funds. Yet it does not have the downside of having to worry about whether it is going to get funds to manage its daily affairs from the product of its work. When things go wrong in these crown corporations, when they are not efficiently managed, when they do not have a business plan, do they go to their shareholders who are individuals that put up the money? No. They come running to the Government of Canada with their hands out and say: "Top it up".

The problem is that our country is going into the hole at the rate of $110 million a day. What do we have to do to get it to sink into the heads of members opposite that they should start by doing the little things right and eventually, if they do enough of the little things right, the big things will turn out right? A little thing is to support the bill which calls for more accountability in a mere five crown corporations.

• (1810)

In order to get some unanimity in the House, the mover of the bill deliberately left out some of the more contentious crown corporations such as the CBC. If we in the House were to reduce the budget of the CBC by about 50 per cent tomorrow, which would mean that we could spend lots of money on cancer research, lots of money on AIDS research or not borrow money to put more of our children to work, I guarantee it would focus the attention of the CBC on what it really should be doing, what we can afford and what we cannot afford. However the mover of the motion did not include that because it is a very contentious issue.

What do we have here? We have the Canada Council, the Canadian Film Development Corporation, the International Development Research Centre, the Canadian Wheat Board and the National Arts Centre.

What, the National Arts Centre? How did the National Arts Centre creep into this? How on earth did that become a crown corporation? Could it be that it is located in Ottawa and it is one more thing for the people of Canada to subsidize?

It would be an interesting exercise to go to the rest of the arts centres in the country to find out whether they are crown corporations and whether they have their arms in the pockets of Canadians from coast to coast. Somehow I doubt it.

What is it about being in Ottawa that gives people the thought that money is something that sort of grows on trees or that if it is public money it is not accountable for?

Anybody who has been in business knows that the discipline of an audit is not a negative thing or a bad thing. The discipline of an audit will make any company work better. That is why these crown corporations should be saying: "Wait a minute. We want to be overseen. We recognize the fact that we are dealing with public money".

Why should they not want to be involved? Is it because they are not efficient? Is it because they can run like little fiefdoms and do whatever they want any way they want to? Is it because the Canadian Wheat Board is not perhaps so much a wheat board but a co–op? Is it because the Canada Council is a collection of people who are self–interested, get public money and dole public money out to whoever they think should have it?

I am not suggesting for a moment that the Canada Council and the people involved in the Canada Council are doing so somehow maliciously. I am sure they are doing everything that they are doing with their hearts in the right place. However it is not their money; it is our money. Why should we not oversee every nickel they spend?

The Canadian Film Development Corporation has been the subject of some debate in the House in past months. There are people who think it is doing a good job and there are people who think it is not doing such a good job. There are people who say we have to support it because it is Canadian culture. I think most of us like to go to a movie every once in a while to see a movie that speaks about us, to see something familiar. There might be some granting to the Canadian Film Corporation that pays off; it might even make some money from time to time.

• (1815)

It would be interesting if they used their own money and had to compete in a world market on the quality of their product and rather than saying that we have this domestic market which has the tariff wall surrounding it, we are going to make movies that everybody in the world is going to clamour to see because of the quality of the story, the quality of the acting, the quality of the distribution?

That is what we should be looking for in our Canada. We can compete with the best in the world in anything, in business, in arts, in film development. If we are going to have crown corporations that have the purview of doling out public money for private purposes, certainly to oversee over these crown corporations is common sense.

I would like to conclude my few moments of discussing this bill, because it is a votable bill, by once again appealing to my hon. colleagues to reconsider the initial response not to support this bill.

The hon. member for Okanagan—Similkameen—Merritt brought this bill to the House with the express intent of ensuring that it was innocuous enough that it could find support on the Liberal benches and with the Bloc as well as a testimony to the fact that on some things, albeit a minor start, the members of Parliament in this House assembled can come together for the right reasons and do the right thing.

It is a tragedy that every time a member gets up to speak, to move a motion or to do something in this House, it is always done on an adversarial position. It need not be that way. Common sense is common sense, whether it originates on the Liberal benches, on the Bloc benches or on the Reform benches.

When we have an opportunity in this House to come together in unity to do the right thing for the right reasons which could have the effect of using taxpayers' money more efficiently, we should seize the opportunity, seize the moment and do the right thing for the right reasons.

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food, Lib.): Mr. Speaker, I appreciate the opportunity to speak for a few minutes on this bill that is before the House, Bill C-263.

I want to assure the member who just concluded his remarks that my remarks are not made in an adversarial way but just to simply point out how this bill would address the Canadian Wheat Board. I know it is a crown corporation that is of some interest to the Reform Party and it is of some interest to all of us in this House, particularly those who are involved in the agri-food industry.

I want to point out in the next few minutes why this bill is absolutely unnecessary and actually would be doing much of what the Reform Party has faulted governments in Canada for in the past, repeating something that is already done and doing things twice and spending money that is not necessarily spent.

The Canadian Wheat Board was established in 1935 as a marketing agency for western grain farmers. At the time farmers in western Canada wanted a system that would control price fluctuations, distribute delivery opportunity equitably and move the largest volumes of grain at the best possible prices.

That mandate is still the same. The Canadian Wheat Board remains the same now as it was years ago in the mandate that it has, to earn farmers the best possible returns for their wheat and barley. That is exactly what the board has been doing for that 60 years. It has done an excellent job of selling Canadian grain at the best possible prices and then returning as much money as possible to the users of that board, those users being western Canadian farmers.

Although the Canadian board is a crown corporation, its operations are financed by 130,000 grain farmers in Manitoba, Saskatchewan, Alberta and the grain growing areas of British Columbia.

• (1820)

This in itself makes this crown corporation unlike many of the others. Some crown corporations including the Canadian Wheat Board are exempt from the application of the Financial Administration Act. It is one of the member for Okanagan—Similkameen—Merritt listed this afternoon as being exempt.

With this bill this exemption would be removed and the crown corporations affected by the bill would become subject to a different reporting system with different requirements.

For example, under this bill the Canadian Wheat Board would be required to submit a corporate plan to the Minister of Agriculture and Agri-Food for approval by the governor in council. The board would also have to submit an operating and capital budget annually for approval by Treasury Board. This report would then be included in a review by the parliamentary committee.

Finally, the wheat board would be subject to an audit by an outside auditor and possibly the Auditor General of Canada.

There is no doubt in my mind that the objectives of the bill are well intended. I can assure everyone that the Minister of Agriculture and Agri-Food and the government are in favour of ensuring that the accountability is there. That accountability at the present time is to farmers, the government and to taxpayers.

It is essential to remember that the board's operations are funded by farmers, not by government. Nor does the board operate with a capital base funded by the government. Although some accountability to the government is appropriate the board's first responsibility is to western Canadian wheat and barley producers.

I should also emphasize that the board is already accountable to the government through a variety of provisions in the Canadian Wheat Board Act, a separate act. The safeguards established under that act are virtually the same as those under the Financial Administration Act. Again, why repeat it?

Even though they are there they are slightly modified to take into account the unique nature of the wheat board's business. For example, the board is required to file an annual report with the minister by March 31. This annual report is tabled in Parliament.

The wheat board act requires the board to have an external auditing firm conduct an audit each year and to keep proper books. The Canadian Wheat Board Act also grants borrowing powers subject to the approval of the Minister of Finance. In all of these examples the provisions of the Financial Administration Act are virtually identical.

I could go on but the point is Bill C–263 which has been put before us today is not the way to enhance the accountability of the Canadian Wheat Board. The government's main concern for accountability and the reporting process that ensures it should stem from a need to be aware of possible government expenditures.

There will only be government expenditures if there is a deficit in the pool accounts. A deficit in the pool accounts will only occur if the Canadian Wheat Board's initial payments to farmers are set at or raised to levels that exceed the ultimate levels from the sales of wheat and barley. Since the government must approve the level of the initial payments it already has an effective method of accountability in this area as well.

Another serious concern with the bill is that the nature of the marketing activities of the Canadian Wheat Board requires extreme confidentiality. The reporting relationship between the Canadian Wheat Board and the Minister of Agriculture and Agri–Food is created under the Canadian Wheat Board Act and it is appropriate, given the need to ensure that confidentiality.

We are also concerned about timing. The minister has already announced his intention to begin a process that will rigorously examine all of the facts and issues relating to western grain marketing and the Canadian Wheat Board. It is no secret that opinions on this and these issues are sharply divided on the subjects. There have been meetings, rallies and demonstrations on both sides of these issues.

Before the government makes any decision on the future of the board, farmers have a right to carefully consider the situation and together they must decide what represents the best balanced solution for their industry. Bill C–263 represents a very important decision. Its impacts on the Canadian Wheat Board and on western grain growers are potentially far reaching.

• (1825)

It is our duty to act fairly through a transparent forum and to consult farmers before we make any major decision on the future of the Canadian Wheat Board.

We know what the majority of farmers want. When we are convinced that the procedure to get their views has been fair, impartial and equitable and does represent what the majority wants, then and only then will this government be ready to approve changes to existing legislation.

Until then I urge members of this House to respond to Bill C–263 with a clear and strong message that we are not yet ready to make major changes without understanding the consequences and most important without consulting with its users, the prairie farmers.

There is still a lot of work to be done and there is still much consultation to go through before we can come to a definitive decision on the future of the wheat board.

In conclusion, I would ask the members of this House not to support Bill C–263 as it relates to the Canadian Wheat Board.

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, basically what I want to talk about in Bill C–263 is the openness, accountability and transparency that I think these agencies should have. I want to talk specifically about IDRC. That organization is often confused with CIDA. It is wrong that this should happen.

Throughout many of the discussions I have been involved in we have heard what the people of Canada are saying about CIDA. They are saying that there is inefficiency, that they want accountability there. However, they quite often mix IDRC into that same ball of wax. I think that is rather unfair.

This bill asks for accountability. I think that will do nothing but benefit that organization because the Canadian public wants to know it is getting good value for its dollar.

Under the current system IDRC is not getting audited the same way as other government institutions. It does not follow all of the provisions of the Financial Administration Act. Therefore, Canadians have a hard time really knowing whether they are getting value for money.

In a time of serious spending cuts and serious budgetary constraints, we can make an awfully good case for getting some kind of regular, accountable audit procedure. In terms of this, I know this year IDRC has done a budget. I have certainly talked

to the organization. I would say it is a very well run organization. I know a member across who would agree with me on that.

If there were support for this bill we would have to separate IDRC from CIDA. Going through most of my notes, in many cases the people in IDRC I have talked to would totally agree with this. In private conversation they would say that. We have an agency, a crown corporation, that may or may not do an audit. Only because of good management would it do an audit, becoming accountable.

We also have the public saying this agency is the same, it gives out aid or it is something involved with aid, and what are we going to do about that, maybe we should subject it to the same treatment that we subject an organization like CIDA to.

As I pointed out, that is totally wrong. For that reason I would strongly advise members to read the member's bill, to take a look at what it is trying to accomplish and the fact that it is allowing this organization to get its dollars and cents out on the table and to make them open to the public, thus achieving the accountability and transparency that I believe people are demanding.

• (1830)

Obviously I had a lot of other areas I would have liked to have covered, but for the sake of time I will stop at this point. I ask members to reconsider their support of Bill C–263. When it comes to an area like the IDRC they would welcome that as much as any of us would in this House.

The Acting Speaker (Mr. Kilger): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93, the order is dropped to the bottom of the order of precedence on the Order Paper.

ADJOURNMENT PROCEEDINGS

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

TAXATION

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, it is obvious to anyone who is watching the various news programs today, or who has any sort of sensitivity to what is going on in the country, that there is the equivalent of a tax revolt well under way.

People have literally been driven to the wall when it comes to the existing tax system which, to give it undue consideration, would be to call it unfair, unjust, unbalanced and discriminatory. It discriminates against the small business sector relative to the corporate sector. It is biased against the average working person, as opposed to people in the upper income or the very wealthy tax brackets.

This tax revolt has occurred by the economy moving underground. There probably is not a Canadian citizen who is not participating in some way in the underground economy, with the exception of yourself, Mr. Speaker, and some of my colleagues who are presently in the House.

Who does not participate with cash transactions or in a barter system? It is increasing. It is estimated that somewhere between $40 billion and $120 billion of business transactions each year take place in the underground economy. This makes it almost impossible to pay down the debt of the country until we get some confidence back in the system.

Why is that? First of all, if we add up all of the tax exemptions, they come to about $36 billion a year. That was in the press yesterday. Thirty–six billion dollars a year is lost to the treasury because of tax exemptions. Many of these exemptions are legitimate but many must be classed as tax loopholes. I give my friend, the Minister of Finance, full credit for going public in the last few days and saying that the system is filled with tax loopholes that have to be closed. He also said that the poor do not use tax loopholes. It is clear what he means. The rich use tax loopholes.

When we go down to the harbours in some of the port cities of Canada and see the huge yachts, they are by and large tax deductions. I personally know a number of people with boats who write off half of the cost of the boat and call it a business tax deduction for entertainment purposes. The boxes in the big sports stadiums are tax write–offs. We found out from the news today that even escort services can be a tax write–off if the name is changed to a tour guide or a bodyguard.

I suspect a lot of submissions will be made by individuals who are entertaining their clients. A lot of touring will also be going on, or perhaps a lot of bodyguards will be put into place. That will be a legitimate tax write–off.

The reports say that Revenue Canada will soon send out a circular clarifying this issue. As long as the escort service is also a tour guide or a bodyguard, it will qualify for a legitimate tax write–off. I could go on, but I suspect that we are all familiar with the various forms of tax write–offs.

I would like to ask a couple of serious questions. Canada is one of the very few OECD countries that does not have an inheritance tax. Across the way, when my hon. friend inherits $2 million or $3 million, it is not taxed. We are virtually the only country in the western world where an inheritance is not taxed.

• (1835)

Even the United States has an inheritance tax. The United States also considers capital gains to be like any other income. In other words $1 of capital gains is taxed like $1 of regular income. But not in Canada. That $1 of capital gains is only considered to be worth 75 cents for taxation purposes.

Once again we are one of the very few OECD countries that says to people: If your income is from capital gains we are automatically going to give you a 25 per cent tax break before we even start considering it.

Again I have to ask, why the tax break for those who earn their income from capital gains as opposed to someone working in a radio station, a factory or a plant? Why do we distinguish between those two kinds of incomes? Why do we let those people who inherit vast amounts of money off, not to pay any income tax at all on it? Again, we are one of the very few countries in the world that does that.

I could also ask about the family trust provision. Here is the mother of all loopholes. I believe there is now universal agreement that if there is a tax provision that has to go in this budget, it has to be this family trust business. The tax experts told us this provision was brought in to protect only the very wealthiest families of Canada. Must we have a special tax provision that costs us many hundreds of millions of dollars to make life easier for the very wealthy in Canada? I think the reaction to that is no.

We will be watching very closely to see what the Minister of Finance does when he brings in his budget in a few days and whether or not he says: "We are going to take this loophole of loopholes, the mother or father of all loopholes out of the system". If he does that, then I think we can legitimately say that yes, there is some balance to the budget.

For example, he should tax the inheritances people receive, let us say, over $1 million or $2 million. I am not talking about people who inherit the family farm or the person who inherits a small business or the family home or whatever. I am talking about people who inherit $2 million, $3 million, $5 million or $10 million. Why should they not pay tax on that? They would if they were in virtually every other western industrialized nation, but not in Canada.

A whole set of questions must be asked about the loopholes in the system. I am very happy to see that the Minister of Finance has now acknowledged this. We will be watching carefully as he attempts to close off some of these loopholes in an effort to make the tax system a bit fairer.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am pleased to try to respond to the very windy comments of the hon. member for Kamloops. With his typical hyperbole he went on to grossly exaggerate the deficiencies of the Canadian tax system, I am sure for the benefit of his viewers in Kamloops.

He sounded a little like the premier of Ontario did when he was in opposition, and we have all noticed how he has changed his tune since he came into government. Of course he has made the worst mess we have ever seen of any government in any province. I suspect the hon. member for Kamloops would agree with me if he lived in Ontario. He does not, so he has missed out on some of the worst aspects of NDP rule in our province.

The NDP is involved in the tax system in Ontario and the Ontario taxpayers are complaining about high taxes. What they have not fully realized in every case is how many of those taxes are charged by their provincial government. It has really slapped it to Ontarians in a big, big way, in spite of having a massive deficit and total incompetence in its government and running the economy of that province.

I agree with him that the fundamental basis of a sound tax system is that everyone pays his or her share. When a minority of taxpayers are able to avoid paying their fair share, the legitimacy of the whole system suffers.

Like the hon. member for Kamloops, the Minister of Finance and indeed every member of this caucus is committed to trying to restore an element of fairness to our tax system. But the government in fact has already taken steps to do that. It did it in the last budget.

I did not see the hon. member for Kamloops applauding the minister on budget day last year. I am sorry he did not, but I can safely tell you, Mr. Speaker, and I know you will agree, that none of us have ever seen the hon. member for Kamloops applaud a budget in this House.

There is a good reason for that. None of them has been an NDP budget. If there had been one, no doubt he would applaud it. But as long as the budget is presented by any other party, no matter how fair it is, he will say it is not fair enough for him. He does not talk about Bob Rae's budgets. If he did, I think he would be complaining about the lack of fairness. I am sorry we are not able to hear his thoughts on that tonight.

I want to point out examples of some of the things the Minister of Finance did last year in his budget.

He eliminated the $100,000 lifetime capital gains exemption that had been put in by the previous government that benefited high income individuals almost exclusively. The deduction for business meals and entertainment expenses was reduced from 80 per cent to 50 per cent, another item that benefited substantial taxpayers. Large Canadian controlled private corporations are no longer eligible for the small business deductions which benefit small business and which the hon. member for Kamloops ignored in his remarks. I think that is important.

The need for increased equity and simplicity in the tax system is recognized. The finance minister has made it clear on a number of occasions that his budget will be fair and will try to reduce inequities in our tax system.

I am sure the member for Kamloops will applaud the minister on budget day and thank him for the great service he is doing for Canadians.

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 38, the motion to adjourn the House is now deemed to have been adopted.

Accordingly, this House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6.40 p.m.)

HOUSE OF COMMONS

Friday, February 17, 1995

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

Hon. Roy MacLaren (for the Minister of Finance, Lib.) moved that Bill C–59, an act to amend the Income Tax Act and the Income Tax Application Rules, be read the third time and passed.

Mr. Harbance Singh Dhaliwal (Parliamentary Secretary to Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I appreciate the opportunity to begin the third reading debate on Bill C–59, an act to amend the Income Tax Act. Hon. members will recall that C–59 will put into law several measures announced in the 1994 budget.

That budget was a first step in a historic two stage process to bring government finances under control. This is essential if we are to sustain the conditions for continued economic growth, especially easing an important source of pressure on interest rates. The budget set out a concrete interim budget to cut the deficit to 3 per cent of our GNP in three years. It made clear our ultimate goal to eliminate the deficit completely.

But last February's budget did more than establish a target. The previous government had deficit targets galore. Instead, this budget took hard fiscal action to set a real deficit cutting process in motion by reducing spending more than any other budget in a decade.

• (1005)

However, given the dimensions of our deficit and debt dilemma, spending cuts alone would not have been enough to meet our target and restore confidence in the fiscal commitment of government. That is why revenue increases were also necessary.

I should also remind my hon. colleagues that for every $1 in revenue gains, we took $5 in action to reduce government spending. We did not take the decision to increase revenues lightly. There is no member of this government who does not recognize the tax fatigue and resentment felt by so many Canadians. That is why our government refused to hike tax rates.

Instead, we felt the better way to raise the necessary revenue was to broaden the tax base and increase fairness within the tax system. This is what Bill C–59 does. In particular, it also makes the corporate tax system fairer and better targets the tax assistance available to certain businesses.

Because C–59 increases the fairness of Canada's tax system in a number of areas, I believe the bill deserves the non–partisan support of all sides of the House. Let me deal briefly with some of the measures in this bill.

Bill C–59 eliminates the $100,000 lifetime capital gains exemption. This action addresses a growing body of criticism concerning the exemption that it distorts the tax system by totally exempting certain gains while taxing others, that it is essentially of benefit to high income Canadians, and that it makes the tax system more complex.

In 1992 thanks to a wide range of allowable tax deductions and credits, some 12,000 Canadians who earned $50,000 or more paid no income tax. Of this group, over 4,700 people used their lifetime capital gains deduction to help eliminate their tax payable. These people did nothing wrong, but at a time when most Canadians feel overtaxed there is little tolerance for measures that help well off individuals avoid taxes completely.

Eliminating the exemption will mean a system of taxing capital gains which will be fairer, simpler and more sustainable. I should point out that the exemptions will be withdrawn only for a gains occurring after February 22, 1994, the last budget day.

Another fairer measure in C–59 is the provision to tax the full value of employer paid life insurance premiums. This will improve tax equity. There is simply no justification why employees with employer paid life insurance should receive a tax benefit while self–employed Canadians who have to buy their own life insurance must pay with after tax dollars.

Currently only the portion of coverage over $25,000 is a taxable benefit. By basing the benefit on the full amount the tax system will be fairer, treating all Canadians equitably. The impact on group plan members will not be harsh. On average, employees under such plans receive about $125 of benefits a

year as a result of employers paying insurance premiums for the first $25,000 of coverage. Under this proposal the combined federal and provincial taxes will increase by some $30 to $50 a year and the increase for 1994 will be half of this amount.

In another personal income tax measure, Bill C–59 will subject the age credit to an income test. Canada's debt and the burden of high taxes and interest rates it imposes on all Canadians, including seniors, demands that government spending be both fair and effective. This measure meets that test by ensuring that assistance goes to seniors who need it, but not to those who have annual incomes hitting $50,000.

• (1010)

Under the current tax system all Canadians 65 and over are eligible for the age credit. It delivers a combined federal–provincial tax credit of about $950 per year. Under this proposed legislation, individuals with net incomes below $25,921 will retain their full credit. For people with net incomes above the threshold, the credit will be reduced at a rate of 15 per cent of their net incomes exceeding $25,921 and the threshold will be indexed.

Let me make clear that fully 75 per cent of seniors, which is 2.6 million individuals, will not be affected. Moreover, most of those who will be affected will continue to receive partial benefits. Only 6 per cent of seniors will no longer receive benefits because their income exceeds $49,134, the threshold at which benefits are exhausted.

I should also point out that the reduction will be phased in over two years. For 1994 the reduction will be one–half of the amount otherwise determined. As well, the age credit will remain transferable to a spouse.

A further measure in C–59 extends on an ongoing basis a program that has become an important part of our social infrastructure, the RRSP based homebuyers plan. First time homebuyers can withdraw up to $20,000 tax free from their own RRSPs and repay the money over 15 years. By last February about 234,000 people had already participated in the plan with an additional 30,000 participants expected each year.

Moving on, Canadians will be encouraged to give more to charities because Bill C–59 enhances the charitable tax credit. It used to be that taxpayers gained 17 per cent on the first $250 of their total charitable donations and 29 per cent on the remaining donations. Now the threshold for the higher credit rate will be $200, not $250. The fact that individuals will now receive a greater benefit when they give more than $200 in a year will further encourage charitable giving.

I would now like to remind the House of the measures in C–59 relating to the corporate sector. There is a perception among many Canadians that businesses receive preferential tax treatment compared to individual taxpayers.

The fact is often overlooked that businesses, while paying corporate income tax, must also pay many other taxes such as provincial corporate income taxes, capital and insurance premium taxes, payroll levies and municipal property taxes. In fact, the total corporate tax bill last year was about $44 billion. However, Bill C–59 does take steps to reduce deductions and eliminate some existing loopholes.

For example, the tax deduction for eligible business meals and entertainment expenses is reduced from 80 per cent to 50 per cent. All businesses large and small will now pay an appropriate share of tax, making the tax system fair.

The element of personal consumption will also be better reflected in these expenses. This measure is consistent with business meals and entertainment expense deductions in Ontario, Quebec and the United States. It will apply to expenses incurred after February 21, 1994.

Another measure in C–59 restricts the use of certain tax shelters where investors in partnership could claim tax deductible losses and/or receive cash contributions which actually exceed the cost of their investment. The amount of losses that may be flowed out to an investor will now be restricted. This will help to limit the erosion of the tax base, ensuring that business pays a fair share in the national deficit battle. As well, to prevent further erosion of the tax base, the use of the purchase butterfly tax avoidance technique will be curtailed.

• (1015)

The Income Tax Act allows for corporate property to be divided pro rata among its shareholders on a tax deferred basis. This helps in dividing up a corporation so that shareholders can carry on separately the corporation's business.

Unfortunately the rules have been used to avoid or defer tax on the sale of corporate assets. As a result the government introduced rules in May 1993 restricting cross–border purchase butterfly transactions. Bill C–59 extends these rules to all purchase butterflies. The tax advantage of structuring a corporate asset sale for this purchase will no longer exist.

The next measure I want to discuss is the elimination or reduction of the regional investment tax credit, known as ITC. It has become evident that regional ITCs are not a cost effective means of attracting incremental investments, nor do they help to reduce economic disparity. Bill C–59 eliminates a special investment tax credit and the regional component of the scientific research and experimental development tax credit. The Atlantic investment tax credit rate will be reduced from 15 per cent to 10 per cent.

While these changes will come into effect after 1994 they will not apply to property acquired after 1994 that relates to a project which was under construction before the last budget date, nor will they apply to property acquired at any time under a written agreement entered into before the budget date.

Another fair tax measure in Bill C–59 makes large private corporations ineligible for the small business deduction. Relief will be targeted where it is intended, just to small business. The small business deduction lowers the tax rate, thereby providing small corporations with more after tax income for reinvestment and expansion.

However, under the current rules some very large corporations are obtaining this benefit. Large corporations with taxable capital of $15 million or more will no longer be eligible for the small business deduction. As well, the rule changes will reduce the deduction for corporations having taxable capital of between $10 million and $15 million.

The last measure in Bill C–59 that I want to discuss allows for a deduction for contributions into government mandated mine reclamation trust funds in the year in which they are made. Under the current income tax rules mine reclamation expenses are deductible only in the year in which they are incurred. This addresses the concerns of Canada's mining industry.

In conclusion, Bill C–59 takes progressive measures to broaden the tax base for fiscal renewal and to improve the fairness and efficiency of the tax system. Those are goals that we can all accept and this legislation deserves the full support of the House.

[*Translation*]

Mr. André Caron (Jonquière, BQ): Mr. Speaker, I welcome this opportunity to speak on behalf of the Bloc Quebecois to the income tax bill before the House today. This legislation implements measures announced by the minister in his budget on February 22, 1994, almost a year ago.

The Bloc Quebecois was opposed to the bill on second reading and in committee, and its position has not changed. Granted, we did find a number of positive measures in the bill. These include, for instance, the decision to extend provisions allowing first–time homebuyers to use their RRSP funds; measures to increase the value of the charitable donations tax credit; and incentives for mining companies to engage in mine reclamation, although at this level, the government is not exactly applying the principle "the polluter pays".

• (1020)

The Bloc also welcomed the proposal to reduce the percentage of meal expenses recognized for tax purposes from 80 per cent to 50 per cent. As you know, companies may deduct meals as part of the cost of doing business, and reducing the percentage of such expenses from 80 per cent to 50 per cent is at least a first step. These are some of the positive aspects we see in the bill, but there are negative aspects the Bloc cannot accept.

This morning, I will focus on three specific points. The first one is the reduction in value of the age tax credit; the second concerns the reduction or elimination of tax credits for regional investment; and the third concerns the inadequacy of measures aimed at curtailing certain tax avoidance techniques.

As far as the age tax credit is concerned, the Bloc Quebecois presented an amendment that was defeated in the House, an amendment rejecting a provision in the bill that reduces the value of the age tax credit for persons 65 and over. The reduction concerns people with net incomes between $25,000 and $50,000. The age tax credit for these people will be reduced. For some people these amounts mean a lot, since it works out to a federal tax reduction of $610, while at the provincial level, it adds up to $950. That is a substantial reduction.

Of course, our friends across the way told us this would not affect seniors in need, those with an income of $25,000 or less. In fact, this hits the middle class. Once again, the government is hitting the middle class, and that is why the Bloc Quebecois objects to this provision.

So who is affected? People who worked all their lives and accumulated a pension fund and did everything they could to provide for decent incomes for their retirement. These people had a deduction. It was a form of recognition. It was like saying: You are people who helped to build Canada or Quebec, people who worked all their lives to enjoy decent incomes for their retirement. They were entitled to a tax credit of $3,482, and 17 per cent of that worked out to the amounts I mentioned earlier. As a result of the bill before the House today, this tax credit will be eliminated.

Certainly, in the case of people with incomes of perhaps $60,000, $70,000 or $80,000, we could understand abolishing the tax credit. However, in the case of people earning $28,000, $30,000, or $35,000, we do not believe it is right to reduce the benefits they enjoyed under the old legislation. Certainly the government is saving money with this measure. It is expected to save $170 million in 1995–96, but this is $170 million once again saved on the backs of the middle class. At some point, the Canadian middle class will have had enough of always paying taxes and not always getting the necessary benefit or the necessary recognition from society.

As we have already spoken at length on this matter, I am going now to deal primarily, in the second part of my remarks, with the disappearance of the regional investment tax credit. You know that Canada used to offer benefits in the form of tax credits to people who invested in certain parts of the country, primarily the Atlantic provinces, the Gaspé Peninsula, and certain northern regions.

There was a special investment tax credit. It was a 30 per cent tax credit for eligible investments in machinery, buildings, and new equipment for manufacturing and production purposes. This tax credit has been eliminated. Another tax credit is also affected. It is the Atlantic/Gaspé tax credit. It was a tax credit of 15 per cent, again for buildings, machinery, and equipment to be used in resource development. This tax credit has been reduced from 15 per cent to 10 per cent. The third tax credit affected is the scientific research and experimental development investment tax credit. It is a 30 per cent tax credit, again in the Atlantic region and the Gaspé, and has been reduced to 20 per cent, the level for all the other regions. This means that the Atlantic region and the Gaspé have lost the benefits they enjoyed under the last budget.

• (1025)

These measures affecting tax credits will mean a saving of $90 million for the government in 1995–96 and of $95 million in 1996–97. The most ironic part of all of this is the reason given by the finance minister in his budget plan of last February and in the budget document entitled "Tax measures: Supplementary Information". His budget plan indicates, and I quote, "These credits have not been effective in attracting new investments to designated regions or reducing economic disparity". The document entitled "Supplementary Information" states in regard to the budget: "Regional investment tax credits have not generally been considered to be cost effective".

Basically, it says that these tax credits did not have a very high level of effectiveness and are not an effective means of attracting investments. So we would have expected the minister to completely eliminate these tax credits because they are not effective, but this has not happened. One tax credit has been eliminated, the tax credit for investment in the Atlantic region, and the tax credit for investment in scientific research has simply been reduced. In other words, the minister admits that he will still offer tax credits in certain regions of Canada. The minister is aware of their lack of effectiveness, but goes ahead all the same.

The Bloc Quebecois has denounced this measure and has asked that moneys earmarked for regional investment be redistributed to the provinces instead as a tax percentage. Why? It is because in Quebec, we think that decision making and regional investments should be decentralized so that local decision makers and people in the regions can identify their needs and take measures suited to their regions.

The Canadian government does not do this. It refused to redistribute these amounts among the provinces and maintained national standards, giving the credit to everyone while admitting that all this is inefficient. This is yet another illustration of the Canadian problem, that is, putting everyone, every citizen and every province on the same footing and ensuring uniform distribution everywhere before realizing that this is very costly and inefficient but continuing to do so anyway. One does not have to look very far to see that this is the reason why Canada does not work.

The third reason why we oppose this bill is the measures designed to counteract some tax avoidance strategies. This bill proposes measures to ensure that some individuals and corporations can no longer avoid taxes. These measures are quite timid. There are measures intended to eliminate preferential tax rates for large corporations, to make corporate taxes more equitable, to provide special rules for taxing foreign corporation shareholders.

Looking at all this, we ask ourselves are they trying to catch those who do not pay taxes in Canada, who establish phoney companies abroad and who, through various tax schemes, manage to avoid taxes. Reading this, we might think that such is the case, but we would be mistaken. These measures do not affect family trusts or the use of tax havens and are not designed in any way to institute a minimum corporate tax.

A lot has been said about family trusts. What are they exactly? A family trust is a tax measure allowing great wealthy families to avoid paying taxes on capital gains on assets.

• (1030)

It is money on which no taxes are collected because it was put in a trust. And this remains the case for a long time. An amendment to that provision was proposed in 1992 by the Conservative government. Under that legislation, the money in a trust was exempt from taxes until the death of the last beneficiary of that trust. In some cases, that could take up to 80 years.

The Bloc Quebecois pledged to fight for the elimination of that provision, which allows tax avoidance. We discussed the issue at length in this House. We do not see, in the current budget, any step to abolish that tax loophole.

We are talking about hundreds of millions every year. We do not know exactly how much money is involved. To find that out, we would need a special bill to allow Revenue Canada officials to tell us exactly how much money is involved. What is the government waiting for to pass such legislation and to abolish that provision in the Income Tax Act?

Let us now look at tax havens. We have an idea of what goes on. The auditor general raised that issue in 1992. This is not a figment of the imagination of a demagogic opposition party. The auditor general himself told us that several major Canadian corporations somehow manage to avoid paying taxes in Canada. The losses in tax revenues are said to be in the hundreds of millions.

We know the process. Some companies establish or use subsidiaries in countries where tax rates are much lower than in Canada. They can do so because Canada signed tax conventions to avoid double taxation for corporations and individuals conducting business in those countries.

The auditor general is strongly opposed to such tax treaties. Currently, 16 such conventions are said to be in effect. There is nothing wrong with these countries, but we wonder why Canada signed such treaties, if not to promote the self–interests of people who want to avoid the payment of taxes. These countries include Cyprus, Malta and Papua New Guinea. It is not a foregone conclusion that Canada's trade with these countries justifies the signing of such conventions, but these treaties were concluded.

The auditor general also denounced another more subtle process. Some companies can deduct, from their payable taxes, the interest on loans contracted in Canada for foreign investment purposes. In other words, Revenue Canada is financing investments abroad. This is unbelievable.

Another provision regarding tax havens that must be revisited is tax avoidance. In 1992 the auditor general again asked the government to amend the act to prevent Canadian companies with subsidiaries abroad from using these subsidiaries' annual losses to reduce their taxable income in Canada. They lose money outside of Canada and can deduct these losses in Canada.

How could a Canadian company or a multinational that is in the slightest way on the ball not be tempted to create bogus companies outside of the country? How can these companies resist the temptation to reduce their Canadian taxes, to make foreign investments and to claim a deduction for the interest on those investments? It is an open invitation that the Bloc Quebecois decries. The Bloc denounces such things and would like to see all countries treated equally.

The Bloc Quebecois calls for an end to flags of convenience, to freebies for big business that allow them to avoid paying tax. Many large businesses pay no taxes. Indeed, a Liberal member, the member for Gander—Grand Falls, told us last October that according to his research, 77 companies with over $25 million in profits did not pay any tax in Canada.

They do not pay any tax because they can make deductions, they can make money out of the country, they can search for deductions. What do you think people over 65 years of age who earn $30,000 and are seeing their age credit taken from them have to say when they see big multinationals and prosperous companies that turn a profit get away without paying any tax?

• (1035)

They say that honest taxpayers are being picked on again, and that those with means, who are rich, who can make representations and can lobby have access to provisions in income tax laws which allow them to avoid paying their fair share. The Bloc will not stand for this.

I would like to add, before closing, not to take advantage of your kindness, that the budget and perhaps this bill should have contained other measures regarding the whole issue of business subsidies.

Everybody tells us that their economic effectiveness is debateable. The Bloc Quebecois has demanded that a good part of these business subsidies, which amount to approximately $3.3 billion in Canada, be cut. We asked for a reduction in defence spending totalling $3.2 billion over two years. We asked the government to stop investing in the Hibernia group in Newfoundland. We asked for a real minimum tax on the profits of large corporations, because the strategy of these corporations is to reduce their profits for the current fiscal year by subtracting any losses they may have incurred in previous years, so they do not have to pay taxes on those profits.

In fact, we asked Revenue Canada to do what it has to do to get the $6.6 billion owed to the federal treasury. The auditor general said in his report that a large percentage of this money could be recovered. In other words, before reducing the incomes of senior citizens and cutting social programs, the government should go out and get the money owed to the treasury. To put it bluntly, that is part of the mandate of the Minister of National Revenue.

For all these reasons, the Bloc Quebecois will vote against Bill C–59, because it contains measures that are inadequate and do not deal with the real problems of tax collection in Canada.

[*English*]

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, thank you for this opportunity to speak on Bill C–59.

Bill C–59 is sort of a remnant, a leftover or a bad memory about the last budget that was brought into this House, the 1994–95 budget, a most disgusting type of document that was ever presented to Canadians. It was a document that was not prepared, not thought through and had nothing to do with the real economy of this country. That is one of the disgusting things that I think about this morning.

The other disgusting thing that I think about is the fact that the Liberal members, many of them who sit in the front row today, sat for eight years on this side of the House and never prepared themselves for government. The reason that a party is in the official opposition is that it prepares itself to be the government. They did not do that. For eight years the Liberals played politics, surface politics. They tried to think about how they could go on a power trip or manipulate the government to get back into power and sit on the front benches on that side.

By accident the Liberals did. By accident they became the government. When they became government they did not have any plans. They did not know why they were government. They

were like a dog that caught a car and did not know what to do with it, that traditional, proverbial story.

The Liberals talk about the fact that they put out a red book. The fact of the matter is that red book has so many generalities and political statements that are out of date and meaningless today that it is like the ostrich that has his head in the sand and does not look around at the true reality of life at a point in time. They stand up over and over again and say to us as Canadians that the red book states they are going to do this. They cannot bring themselves beyond the red book to try to create another idea or to recognize that the economy of Canada is something different than it was four or five years ago when the red book was written.

The minister of defence should certainly think about some of these things and take his responsibility when these kinds of things are before the House.

• (1040)

Here before us we have Bill C–59 which talks about tax increases. Most likely these were designed in the red book as well. Three or four years before they were introduced nobody looked at whether they were contemporary in nature or not or fit the circumstances. They do not.

Today in the 1994–95 budget there should not have been any increases in taxes or a greater imposition on the business community of this country which Bill C–59 does. It is the most disgusting thing that I have ever seen.

Here today we hear this ghost of the 1994–95 budget being brought into this House, the ghost that is going to haunt us as Canadians.

What has been the result of that kind of planning and that kind of responsibility that this Liberal Party has taken? What is the response? Yesterday we had the response to Canadians by Moody's from New York. It made a political interception into the economy of Canada and said very clearly to Canadians, said very clearly to the Minister of Finance, said very clearly to the Prime Minister they are going to bring forward a budget in 1995–96 that is absolutely inadequate and that Moody's is going to lower the credit rating of this country from an AAA to an AA.

This government is thinking five years ago about things it did five years ago. This government does not recognize that you cannot tax people more in this country. This government does not recognize that this target of 3 per cent that was set out in the red book is not a realistic figure in terms of the economy today. It is a political target that was set up by this government three or four years ago to move into an election. It cannot understand the stupidity of that projection at that time is only more stupid today. It is unrealistic in terms of this economy and the needs of this economy.

The government does not understand. The Liberal Party does not understand. The Prime Minister and Minister of Finance, who are key to where we go in Canada, key to our economic stability, key to job growth, key to economic growth, are blind to the facts of the current circumstances. They do not realize that they have to sit down with their colleagues in caucus and say that this liberal approach to government, this kind of soft, fuzzy decision making has to stop. They have to recognize that they have to eliminate the deficit in the next three or four years. They must do it within the term of this Parliament. They must say it in the 1995–96 budget that is going to come before us in about a month.

They have to say that to Canadians. They have to say that to the investment community. If they do not, what is going to happen? Yesterday was the best signal this government could ever have. The government has time to revise its plans. It was given a signal loud and clear. It has to come up with a plan to balance its budget, to bring the deficit to zero within the term of this Parliament. The dollar lowered yesterday some 47 points. We saw it lower again this morning. We saw the bonds affected significantly. We are going to see interest rates going up. They have already. We know what interests rates do to the cost of government.

Many of us have said this in this House and I feel it is a very reliable figure. Every 1 per cent increase in interest rates over a period of a year costs $7 billion to this government and to us as Canadians. If we compound the interest into the second year it is something like $2.3 billion with that 1 per cent interest rate. In the third year that 1 per cent interest rate means something like $3.5 billion. Government members do not understand that. They were given a shock treatment yesterday that should have provided them with the best advice or the best favour ever. However what did they do? They do not listen.

• (1045)

As the Minister of Finance and the Prime Minister stand in question period today they will say they are going to hit their target in two years. Who cares? The target is stupid. The target is out of gear. The target is not even realistic. It is the most unrealistic thing I have ever heard in terms of today's economies.

Moody's is telling the government that its target is out of gear and inadequate. It is reported in the press. If all these people who read the paper in the morning to get their political advice read the *Financial Post* or the *Globe and Mail* this morning, they would have received some good advice on the implications of what the Liberals are doing or how they are acting.

I hope the government takes some time to listen. I hope it will revise some of these fuzzy liberal expenditure reductions that we will hear about at the end of the month. I hope it will reconsider some of the taxes to be imposed.

As I listen to members, not only in the House but in interviews through the various media, I hear that the Liberals are going to put a tax on lotteries. They are going to tax greater the corporate sector. I am sure they will put a surtax on all Canadians to pay for their bad management and the fact that they cannot reduce expenditures in the country quickly.

They are setting up Canadians in the sense that they are misinforming Canadians. They are telling Canadians that if they reduce the size of government, lay off employees, pay them severances and so on, they will not be able to bring the budget down quickly. They are creating this image. They are saying that they cannot bring it down quickly in the first two years so they will put a surtax on us. It just does not work that way.

If expenditure reduction is done in the right way and some grant programs and the overhead in some departments are cut and employees are released as quickly as possible, there will be an expenditure reduction.

All we have to do is look at what happened in Alberta. There was a direct relationship between the reduction in the size of government and the reduction in expenditures. The fallacy that is being created that we will need a surtax on an interim basis is a bunch of hogwash and I hope Canadians do not accept it. They will react to that kind of thing.

The Liberals talk about other taxes such as an inheritance tax. There are a few people in Canada who worked hard and saved money, and they want to take from their pockets as well. They also talk about the RRSPs. People know that the Canada pension plan will not be sustainable under current circumstances. What are they going to do there? I am sure it is part of the upcoming budget. They will reduce the level and the amount of RRSPs middle income people can put away for their future retirement.

The Liberal government is still living with its head in the sand. It is living a the period of time about five years ago when the red book was written. It has not adjusted to today. It is still living this old traditional approach to politics, that is to tax the people and not cut the money spent on inefficient and ineffective social programs that have failed.

I have had the fortunate opportunity to have been in politics for about 30 years. I observed in my early days that people were more self–reliant. I recognize that this liberal attitude has caused us to spend billions of dollars on what we thought were social problems. Everybody in Canada were to be perfect individuals. It has failed. Unemployment is greater. There are more people on social programs, unemployment insurance and public assistance today. There are three million Canadians on public assistance. If that is a success story then we should spend more money and improve it some way or another. However that is not the way it is done. Those social programs have failed but members of the government want to carry on because they think that is the approach to making Canadians perfect.

• (1050)

It is like their support for the CBC. I hear from some of them that the CBC has to continue its rate of expenditure because it creates the culture of Canada. That is the dumbest thing I have ever heard.

Bill C–59 is a glimpse of the inadequacy of the government. It is a glimpse of what is to come: more taxation in the 1995–96 budget because they want to take from the rich and supposedly give to the poor. That is the philosophy but I do not know who is on either end today.

It also indicates a soft fuzzy approach to expenditure reduction to eliminate the deficit. Many of my colleagues have asked over and over again in the House what will happen after two years when we still have a $25 billion deficit. There most likely will be a downturn in the economy that could immediately put pressure on government borrowing and push our deficit again up to $40 billion or $50 billion. It will be out of control. We have a window at this time and the government does not recognize that it is there.

Government members blame the debt on the Conservatives. They say that the Conservatives did it. They have to remember that Mr. Chrétien, Mr. Trudeau and others left $170 billion of debt. Certainly the Conservatives boosted that up to $500 billion. Now it is at $550 billion. In two years it will be $600 billion with a $50 billion interest payment being made. Where are social programs then?

We do not support Bill C–59 and the government has to wake up and be realistic about its responsibility. It is unfortunate that we have to sit here for another three years with a majority government. It is going to be an unfortunate circumstance for Canadians.

I urge everybody in the House to vote against Bill C–59.

The Deputy Speaker: The Chair would ask the hon. member for Lethbridge not to refer to sitting members of the House or ministers by their proper names. As he knows we are expected to refer to their ministries and so on.

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, I listened to my hon. friend, the member who spoke on behalf of the Reform Party on Bill C–59. I must say I always appreciate his comments. I agree with hardly any of them but I nevertheless appreciate them. He always presents them in a thoughtful and articulate way.

One point perplexed me about his comments. Canada is one of the very few countries of the OECD that does not have an inheritance tax; people inheriting $10 million or $20 million are not required to pay any tax.

An hon. member: That is good.

Mr. Riis: I hear my friend in the Reform Party saying that is good. They say that it is good, that people should inherit vast amounts of money and pay no tax.

They support the notion that on income received from capital gains tax is paid on only 75 per cent. They say that is good. They say that certain people, particularly the wealthy people of the country, should get as much as possible. They say that is good because they work hard for it. That implies that other people do not work hard for their money.

Why is it that Reformers feel average working people produce the most if their are wages are low and they are hungry? Why do they feel if we pay them very poorly they will be out there working hard? Why do they feel the way to get working people to work is to pay them as little as possible? However, they feel that the way to get wealthy people working is to pay them the most possible.

Is there not some inconsistency in the logic of rewarding the wealthy so they will work but keep the wages of the poor and average working person as low as possible to encourage them to work? To me there is a bit of inconsistency in the argument of my friends in the Reform Party.

• (1055)

Today we are talking about Bill C–59. The speaker for the government went on at some length about how it was an effort to make the tax system fairer. It might be a slight baby step in that direction.

Let us take the whole issue of escort services. No one here knows anything about escort services, but if we look in the telephone book there are a number of pages listing escort services. It is interesting that our tax system says that escort services are tax deductible. I guess with some people it is a cost of doing business. I am not sure what escorts cost, but whatever the bill is it can be submitted as part of a tax return. It is called a cost of conducting business.

When the question was recently put to national revenue officials, they said they have to change it, it is getting a little questionable in terms of a legitimate tax deduction. However if the escort service is called a bodyguard or a tour guide it is acceptable. We have some interesting concepts here in terms of what a bodyguard or a tour guide might imply.

Nevertheless the reality is that simply by using a little creative commenting on an income tax return, escort services and entertainment of that type will be tax deductions. Is this reasonable? Is this acceptable to the people of Canada? My suspicion is that it is not.

My hon. friend talked about the business tax deduction moving from 80 per cent to 50 per cent. Should we not distinguish between various kinds of business costs? I do not think anybody here would argue that business people getting together over a dinner, lunch or breakfast to discuss a transaction or a business arrangement is a legitimate cost of doing business.

However, as I said earlier, is an escort service deduction a legitimate cost? Is the annual fee for a box in a sports stadium a legitimate cost of doing business? Is purchasing a yacht to entertain clients a legitimate cost of doing business? Is choosing the Bali Hilton or the Waikiki Hilton as the place for an annual meeting a legitimate cost of conducting a business?

I know a number of people who own large boats, sailboats, launches and racing boats. They are business tax deductions and are used for entertaining clients.

Is a hunting lodge or a fishing camp a legitimate business deduction? I suppose we could say in some cases it is, but enough is enough. My hon. friend stands and tries to say that part of the changes to the Income Tax Act will be to bring fairness back into the system by removing the deduction—

The Acting Speaker (Mr. Kilger): It being 11 a.m., pursuant to Standing Order 30 (5), the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[*Translation*]

CANADIAN FEDERALISM

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Mr. Speaker, Monday's three by–elections confirmed Canadians' continued faith in our federal system of government and in its ability to adjust to new problems in Canadian society, problems hardly dreamed of or imagined by those who established Canada's constitution.

Canadian federalism has never been an abstract and inflexible charter carved in stone in 1867. It is a dynamic process of constitutional creation. It involves balancing differing social interests in a spirit of pragmatism and cooperation. It is a new federalism, a living, highly efficient and cooperative one.

* * *

REFERENDUM ON QUEBEC SOVEREIGNTY

Mr. Maurice Godin (Châteauguay, BQ): Mr. Speaker, on March 13, 1865, a majority in the Parliament of the Province of Canada voted against holding a referendum on confederation. The proposed referendum was defeated by a vote of 83 to 35.

Canada was therefore born out of a bill adopted by a simple majority.

The people of Canada had no say in this process, because a simple vote in the House was deemed sufficient to legitimize the process.

Unlike the act establishing Canada, the draft bill declaring Quebec's sovereignty will not come into effect without the support of the people of Quebec expressed in a referendum.

To all those Canadians with lofty democratic ideals, who consider a vote of 50 per cent plus one insufficient to legitimize the choice of Quebecers, I would suggest another look at their Canadian history books.

* * *

[*English*]

GUN CONTROL

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, since January 1 of this year I have received over 700 letters and 60 petitions from my constituents in Cariboo—Chilcotin rightly protesting the government's intention to introduce new firearms legislation. I would like to quote from one letter:

> Ignorance is the cause of fear and the fear of firearms now is caused by a general lack of understanding of what a gun is, how it functions and how extensive our existing gun laws currently are. If the public understood what an honest citizen must currently go through to legally acquire a firearm, they would realize that the new gun control legislation is nothing more than an expensive publicity campaign designed to appear as if the government is fighting crime. We, the people, need education about firearms, not gun laws that attack honest gun owners and leave the criminals at the status quo.

I agree with my constituents. We do not need any more firearms legislation.

* * *

[*Translation*]

MEMBER FOR LONGUEUIL

Mr. Paul DeVillers (Simcoe North, Lib.): Mr. Speaker, on Tuesday the hon. member for Longueuil asserted in the House that it is ridiculous to think that Canada ranks among the best countries in the world in respect of standard of living because, according to him, Canada is considered to be like a Third World country because of the size of its debt. He even claimed that we were trying to deceive people.

The comparison made by the Bloc Quebecois member is crude and his reasoning very unsound. Here are the facts. The UN world report on human development for 1992 and 1994 ranks Canada as the best country in which to live.

The only ones trying to deceive people, and in particular the population of Quebec, are the Bloc Quebecois members. It is very easy to be a separatist if the effect of the worst scenario they can imagine, that is losing the referendum, would be for them to continue living in the best country in the world.

* * *

[*English*]

TRADE

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, on February 2 the United States formally notified the federal government that it considers our move toward tariffication of supply managed commodities to be a violation of the NAFTA.

Let me state clearly that our tariffication is what was agreed to at the GATT, including by the Americans. In reality our good neighbour to the south is playing big bully games against the very principles agreed to at the GATT.

On February 14 the Minister of International Trade made it clear he will not make any concessions to the Americans on this issue. I support that position. This government cannot make any concessions on the supply managed commodities. Our legal position is sound and the GATT takes precedence over the NAFTA.

I would expect, therefore, that consultations with the Americans will be short and the message will be clear: no concessions on the tariff issue.

* * *

PROJECT READ

Mr. Jesse Flis (Parkdale—High Park, Lib.): Mr. Speaker, it has already been five years since the United Nations designated 1990 as the international year of literacy. It is the UN's goal to liberate nearly a quarter of the world's population from the bonds of illiteracy by the year 2000 and much of this work starts at home.

It is estimated that 1.2 million adults in Ontario are functionally illiterate. In my own riding of Parkdale—High Park, librarian Rita Cox and the Parkdale Project Read are beating the odds. Just ask two of Project Read's recent graduates, Jerry Lee Miller and Ed Anable. They are individual success stories and are shining examples that together we can break the cycle of illiteracy.

I congratulate the minister responsible for literacy for doing an excellent job in this field.

• (1105)

[*Translation*]

FRANCOPHONES OUTSIDE QUEBEC

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, in a study made public yesterday, the Commissioner of Official Languages said that francophone and Acadian communities in Canada have good cause to complain.

Bilingualism in federal institutions has been a dismal failure, in spite of the Official Languages Act which was passed 25 years ago.

How can one explain that, in spite of the already very limited number of federal offices outside of Quebec which are designated bilingual, 28 per cent of them still do not provide services in French? In all other offices, even though they are designated bilingual, francophones have to kick up a fuss to be served in their language.

In view of the worrisome rate of assimilation of francophones outside Quebec, what precisely is the government waiting for to assume its responsibilities and to respect the most fundamental rights of the francophone minority?

* * *

[*English*]

CANADA COUNCIL

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, I received a card from the Canada Council last week, as did all MPs. It asked me to imagine Canada without musicians, painters, writers and other artists. The card implies that without the council Canada will lack culture and imagination.

Well I have news for the Canada Council. Canadians have culture and imagination in spite of the Canada Council. Works like those of the Group of Seven that are now hanging in our National Gallery were examples of Canadian culture and imagination long before the Canada Council was ever conceived. No grants were needed to create these masterpieces and many of today's artists work grant free.

Why not imagine a country with a balanced budget, a healthy economy, a workplace free from government interference? Speaking of balanced budgets, the debt clock this week passed $550 billion. Shame, shame.

* * *

RANDOM ACTS OF KINDNESS

Ms. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, did you know that today is the last day for random acts of kindness week?

Ten years ago author Anne Herbert scribbled a phrase on her paper placemat: "Practise random kindness and acts of senseless beauty". Since then her message has become the slogan for people who believe in their ability to make the world a better place.

This week then is an opportunity for Canadians to surprise their fellow citizens with unselfish resplendent acts.

In these times of economic disparity it is important to bring to the attention of this House and to all Canadians that a kindness movement is sweeping through North America. As the movement's organizers state, this week provides a common focus for all Canadians who believe that a little kindness goes a long way and that the greatest gift we can share with one another is our spirit of hope and optimism.

Although the week is coming to a close, I would like to wish all of my colleagues a day, a session and a year filled with random kindness and acts of senseless beauty.

* * *

CANADIAN CENTRE FOR GLOBAL SECURITY

Hon. Warren Allmand (Notre–Dame–de–Grâce, Lib.): Mr. Speaker, in January the Canadian Centre for Global Security announced that it would be shutting down as a result of the federal government's decision to terminate its funding.

For 12 years this centre provided independent and non–partisan policy advice on a wide range of strategic issues. Among them was the centre's work on the nuclear non–proliferation treaty and peacekeeping reform.

By terminating its funding, the government has closed one of the last independent centres of this type in Canada. This is of further concern given that we are now celebrating the 50th anniversary of the United Nations and the world is still plagued by war, instability and injustice.

In opposition we were outraged when the previous government shut down the Canadian Centre for International Peace and Security in 1992.

I am extremely concerned that this decision will send a negative message with respect to Canada's commitment to peacemaking, peacekeeping and arms control. I ask the government to reconsider.

* * *

GUELPH STORM HOCKEY TEAM

Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.): Mr. Speaker, on February 2 the Guelph Storm became the first Ontario Hockey League team to secure a play–off berth.

The Storm has enjoyed a very successful year and is currently fighting Sudbury for first place in the central division. It is in a tight race with six other teams for first place overall.

Coach Craig Hartsburg deserves much of the credit for the team's success, along with every Storm player. Coach Hartsburg stresses the philosophy of team work both on and off the ice.

Guelph—Wellington fans look forward to the remaining games in the chase for the Memorial Cup. Like everything else we do, our hockey team has proven that Guelph—Wellington takes its opponents by storm.

* * *

● (1110)

[*Translation*]

1980 REFERENDUM

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, the Prime Minister's peculiar sense of humour reached unexpected cynical heights when he said yesterday in the House that Quebecers liked Mr. Trudeau's speech so much that they voted no in the 1980 referendum.

How could the Prime Minister say such a thing and really believe it? Between you and me, the Prime Minister certainly could not have been serious. He has undoubtedly forgotten the famous promise: "We are putting our seats on the line to bring about change; a no in the referendum will mean a yes to renewed federalism".

Quebecers remember that this promise was broken, and, for this reason, have elected few Liberal members of Parliament since 1984. The Prime Minister has once again demonstrated in the House that he has absolutely no understanding of the hopes and motivations of Quebecers.

* * *

[*English*]

GOVERNMENT BACKBENCHERS

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, every day in the House of Commons we are forced to witness a humiliating spectacle as government backbenchers rise to ask their own ministers the easy questions.

My heart goes out to these members as they perform their odious duty. I wonder what fears must cross their minds. What if they refuse? What if they make a mistake? What if the minister eager for the planted question misplaces his briefing notes?

It is refreshing that one backbencher, the member for York South—Weston, refuses to advise the front bench of his questions in advance. It is unfortunate that more Liberal backbenchers fail to place the interest of their constituents ahead of the party line.

Have pity for the lowly backbenchers today as they rise to lob beachballs at their political bosses. Pardon the ministers who make a sham out of question period by delivering speeches dressed up as answers. But most of all, pity the listening public which graciously endures the public daily humiliation of members who wish they could just say no.

* * *

LITERACY

Mr. Bill Graham (Rosedale, Lib.): Mr. Speaker, this is literacy week in Canada.

The ability to read and write empowers people. It enables them to improve their position in an increasingly complex economy, to avail themselves of their rights and fulfil their duties in our country with its democratic privileges and responsibilities and to better understand themselves and the world around them.

[*Translation*]

Literacy is an essential element of every modern society and we can be proud of the fact that this government has named a minister responsible for literacy and has established a secretariat with the mandate of eliminating illiteracy nationwide.

[*English*]

Personally, I am very proud of Frontier College located in my Toronto riding and the leadership it provides in this field. It and other institutions like it and thousands of volunteers work on literacy programs that make an important contribution to our society.

If not addressed, illiteracy has heavy costs for Canada and for those individuals who struggle with the problem every day of their lives.

* * *

THE ECONOMY

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe, Lib.): Mr. Speaker, I rise in the House today to indicate my outrage that Moody's bond rating agency would place Canada's credit rating under review only two weeks before the federal budget comes down. Why did it not just place a horse's head in the Minister of Finance's bed?

We recognize that strong fiscal action is required. We are determined to meet our financial targets stated in the red book. Our deficit reduction target of 3 per cent of GDP is only an interim target while our long term goal is to eliminate the deficit in its entirety.

Canada's inflation is the lowest in the G–7. Our export growth is strong. StatsCanada's composite leading indicator grew by .6 per cent in January and wage settlements only grew by .3 per cent in 1994.

I think it is Moody's that should be watched.

Oral Questions

CHILD POVERTY

Mr. Eugène Bellemare (Carleton—Gloucester, Lib.): Mr. Speaker, the third annual gala for child poverty will take place in the capital tomorrow.

This successful event benefits needy children in the Ottawa—Carleton region. It is sponsored by the Fund for the New Generation, a group of active young people who represent all parties in the House as well as the public, private and university sectors. These young people strongly believe in grassroots community support.

• (1115)

I would like to take this opportunity to thank local merchants, retailers and national sponsors, such as Sun Life, Ryder Travel and Merck Frosst. Additional support is also provided by the Museum of Nature, the Ottawa *Sun*, KOOL–FM and the *Hill Times*.

Honorary chairs are Mayor Holtzman and the Speaker of the House of Commons. They have made the event possible, but they cannot do it alone. I call on members and citizens in the Ottawa–Hull area to go to the Museum of Nature tomorrow night at eight o'clock.

ORAL QUESTION PERIOD

[*Translation*]

CANADA'S CREDIT RATING

Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ): Mr. Speaker, after the dollar's wild ride last month and the recent rise in interest rates, yesterday, the renowned rating agency Moody's put Canada's credit rating under review.

My question is for the Minister of Finance. Since Moody's explained that its warning was due to the unacceptable levels of the federal and provincial deficits, does the Minister of Finance admit that his strategy to shovel his deficit into the provinces' backyards is making financial markets even more nervous?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): On the contrary, Mr. Speaker. We indicated very clearly to the provinces that our intention was not to shovel anything into their backyards but to work in close co–operation with them to really solve our common problems by putting our fiscal house in order at the federal and provincial levels. I must say that, at our meeting with the provincial finance ministers, they understood that very well.

Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ): Mr. Speaker, around this time last year, the Minister of Finance announced that he would show his true colours in his 1995 budget. We learned this week that the real Martin budget will be the 1996 budget.

Does the minister admit that Moody's warning is based on the financial markets' fear of having to defer the real decisions for another year?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, in our last budget, we took more measures to solve Canada's financial problem than in any other budget in the last decade.

We said that last year's budget was the first phase and that the second phase would be this year's budget. And that is still our strategy.

Now, am I to understand from the hon. member's comments that he is against our intention to notify the provinces in order not to cause any surprises and that he is trying to promote the Conservative policy of causing surprises and offloading responsibilities onto the provinces? Well, that is not our intention.

Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ): Mr. Speaker, as you know, the road to hell is paved with good intentions.

Since the finance minister's performance aimed at shaping public opinion has gone on for too long and cost hundreds of millions of dollars because of the rise in interest rates, can the minister finally act responsibly and announce today the date of his next budget in order to end speculations hurting the Canadian economy?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, again, I indicated very clearly that we were following a timetable that was set a long time ago. There is a budget every year and we intend to table our budget in due course. At that time, I will be pleased to respond to the hon. member's question regarding the date.

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, my question is also for the Minister of Finance.

In putting Canada's credit rating under review, the New York firm Moody's based its decision partly on concerns that the next budget will increase taxes.

Will the minister admit that his inability to target tax iniquities as well as his refusal to pledge not to increase taxes in the next budget are additional sources of concern for financial markets?

• (1120)

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I am very sorry to contradict the hon. member, but if you heard Moody's announcement, you know that the decision has absolutely nothing to do with the

budget, nor with any assumptions regarding taxes. That decision was prompted by a review of federal and provincial finances.

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, I have a supplementary. When the minister says that he wants to target the tax shelters available to the rich, something which we heard before in this House, is he thinking of people who earn $26,000 a year, as was the case in the 1994 budget, when he went after the tax credit for the elderly? Are these people the rich Canadians to whom the minister is referring?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, in the last budget, we eliminated many tax loopholes, including butterfly transactions, the $100,000 exemption on capital gains and the benefits enjoyed by corporations with subsidiaries and affiliates abroad.

I do not know how the hon. member defines the rich, but let me tell you one thing: We, Liberal members, do not consider that a person with an annual income of $26,000 is wealthy.

[*English*]

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, my question is for the Minister of Finance.

He will know that despite his assurances, which are widely believed, that the government will meet its short term targets, a downgrade of Canada's credit rating now appears to be inevitable. This will lead to higher interest rates, higher borrowing rates and higher mortgage rates for all Canadians, rates that have risen considerably since the government took office.

Will the minister admit that his targets, whether or not they are met, are totally inadequate? That is what the markets are saying.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec, Lib.): Mr. Speaker, I am sure that on reflection, the member would want to think about what he has just said.

I am sure that he does not want to stand in the House and express to the world that the credit rating of this country will be downgraded. I hope that in his supplementary question he will pick up on that point.

A reading of the Moody's press release does not lead to the conclusion that the member has just drawn. Let me reaffirm that the 3 per cent target is an interim target. We are going to hit it and that is a very substantial accomplishment. Our ultimate goal is to eliminate the deficit.

Let me assure the member that we are going to hit our interim target and we are also going to hit our ultimate target.

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, the money markets are judging the performance of the government and they are not judging that performance favourably.

The minister must admit the 3 per cent target will add at least $100 billion in debt over the short term. At best with current growth rates and interest rates, the markets are discovering that this means a likely continued deterioration in the debt–GDP ratio.

Will the minister admit that the 3 per cent target is inadequate and must be revised on more fundamentally sound economic grounds?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the hon. member will admit that the reason for the increase in the debt is not the target we have set but is the accumulation of the debt that we have inherited.

Whether it is this target or whether it is a target set by the Reform Party, a tail would exist. We have said very clearly that the 3 per cent target is an interim target.

Interim means interim. We have set a series of short term goals to make sure that we do not make the mistake of the previous government, which was to have longer term goals and allow people to postpone the day of decision.

We have set short term mileposts and we are going to hit them. We are going to continue to hit them until the finances of the country are put in a healthy state.

• (1125)

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, it was the government's decision to ignore that advice and to lose the valuable first year in office. It is irrelevant to the money market whether the government hits a target of nearly $40 billion.

To help restore credibility to his fiscal policy in the budget, will the minister set definite targets beyond 1996–97 and specify the tough actions necessary to reach them?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, we have made it very clear that we are going to operate on a set of rolling two–year targets, that we are going to deal with the profound structural changes of this economy and the government spending needs.

As a result of the actions taken in this budget, and the actions taken in the last budget, which was the most substantive in the last 10 years, we are going to do what we have always said we would do, put the country's finances in a sound state.

I understand his advice. It is well taken. I have great respect for the question. The only question I ask is: Why did he not give the same advice when he was working for the Conservative government and it allowed this debt?

* * *

[*Translation*]

CUSTOMS TARIFFS

Mr. Laurent Lavigne (Beauharnois—Salaberry, BQ): Mr. Speaker, Canada is now defending its tariff on agricultural products. The agriculture and international trade ministers have repeatedly suggested that Canada's legal position would not be strong enough to save its tariffs on yogurt and ice cream, most of which is produced in Quebec, where producers stand to lose more than $100 million if the government does not support them.

My question is for the Minister of International Trade. Since the GATT agreement provides that tariffs will replace all other measures at the border to protect agricultural products, how can the minister be so dubious about the strength of the Canadian position on yogurt and ice cream?

[*English*]

Hon. Roy MacLaren (Minister for International Trade, Lib.): Mr. Speaker, I am not sure that I fully understood the question. The Canadian government intends to defend the dairy and poultry industries vigorously, as I said the other day. That of course includes yogurt and ice cream.

[*Translation*]

Mr. Laurent Lavigne (Beauharnois—Salaberry, BQ): Mr. Speaker, this is all very well, but the fact remains that Canada's legal position is more or less supported by GATT and NAFTA. So why is the minister negotiating another agreement, outside GATT and NAFTA, with respect to ice cream and yogurt?

[*English*]

Hon. Roy MacLaren (Minister for International Trade, Lib.): Mr. Speaker, there is no question of negotiating another agreement, if I understood the question. Our position is fundamentally, and has continued to be, that the protection afforded the dairy and poultry industry under the new World Trade Organization is the policy we are pursuing.

The United States has taken another view, that there is a commitment under the NAFTA to go to zero tariffs on those products. That is not our position. It may be the American position. Our position is clear. It is entirely defensible. We intend to pursue it vigorously, in the consultations which the United States has requested.

SOCIAL POLICY

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, my questions are for the Minister of Finance.

Everyone knows that social spending, broadly defined, takes up about 70 per cent of all program spending. Therefore, budget balancing requires social spending cuts, not as a matter of Ideology but of simple arithmetic, to use the words of the Minister of Finance.

Does the Minister of Finance agree that yesterday's announcement by Moody's was caused by the absence of a clear commitment to substantial social spending cuts?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the answer is no.

• (1130)

If you read Moody's press release, it did not assign a cause for blame in terms of social spending. It looked at the overall financial condition of the federal government and the provinces.

There is no doubt as we approach the budget that it is going to be important that we cut government spending. It is going to be important that we cut government spending in each part of its operation.

I would remind the hon. member that most studies in this area have also indicated that short term cutting of social spending hurts people's health, their ability to be trained and their ability to get work in the long run. As a leading economist I am sure the hon. member would agree that would add to the deficit. That is the balance that we have to bring to this particular exercise.

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, I am very sorry to have that answer because I think the capital markets will not like it.

A revenue increase in tax measures announced for the next budget will drive more Canadian investment abroad. The way he talks, the Minister of Finance will have a good shot at becoming the man of the year for job creation in the United States.

Does the minister not agree that it is time to stop the tired Liberal rhetoric about tax fairness, do what is right for Canada and rule out tax increases in the next budget?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, we are in the next budget going to deal with all levels of government spending in all areas. There should be no doubt about this government's determination to break the back of the deficit. We are going to do that. We are going to do it fairly because fairness is the essence of Canadians

supporting a government's action in facing up to this burden. We are going to do it that way. Taxation may or may not be part of it.

The debate that I continue to have with hon. members opposite is the supposition that the current system is perfect, that there is no need for further fairness to be built in, that there is no need for further efficiency. That is wrong. The tax system must evolve. The tax system must be improved. We intend to make it happen.

In terms of job creation, 460,000–odd jobs have been created in this country. It is the best job creation record of any country in the G–7. I am damned proud of what we are doing.

* * *

[*Translation*]

CUSTOMS TARIFFS

Mr. Jean–Guy Chrétien (Frontenac, BQ): Mr. Speaker, my question is for the agriculture minister. Milk producers in Canada should be able to count on the government standing up for their interests in respect of the Canadian customs tariffs disputed by the United States. If its past record is any indication of what is to come, one might fear that the government may give in to pressure once again.

Are we to understand from the remarks of his colleague for international trade that Canada is preparing to drop yogurt and ice cream, thereby creating a significant gap in the supply management system?

[*English*]

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.): No, Mr. Speaker. The answer given by the Minister for International Trade was very clear. The Canadian position through the last 16 months that we have been in office has been absolute and unequivocal. We support the Canadian supply management system. We are determined to defend that system against all comers. If the United States has a different point of view and wants to take a run at us, we obviously cannot stop it from taking a run at us, but if it does we will defend ourselves with everything we have.

[*Translation*]

Mr. Jean–Guy Chrétien (Frontenac, BQ): Mr. Speaker, I have a supplementary question. Since the legal position in this dispute is straightforward and clearly established by the Uruguay Round and there is nothing to negotiate, are we to understand that the government's weakness in this matter, which affects Quebec in particular, is the price to be paid to Americans for having resolved the conflict over western wheat last summer?

• (1135)

[*English*]

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.): Mr. Speaker, absolutely not. The position of the Canadian government through all of these very difficult trade issues with the United States has been first and foremost that we will defend Canadian interest and every aspect of it and that we will not in any way engage in any form of trade–off between regions of the country or different groups of farmers or different commodity groups.

Each one of these issues is separate and distinct and must be dealt with individually on its own merits. We will not engage in any form of trade–off.

* * *

THE ECONOMY

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, I have listened very carefully to the responses of the Minister of Finance to my colleagues from Calgary West and Capilano—Howe Sound.

The minister has confirmed in this House that the government only has an interim target or goal and nothing beyond that. Moody's has given a message and the business community has given a message that there needs to be more.

Would he confirm that the government's target is a political target but not a real target in terms of economic needs today?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the government's target, 3 per cent of GDP, is approximately at the level at which the growth of the economy becomes greater than the growth of the debt. The debt to GDP ratio will begin to stabilize and then decline.

That is a very important target for a country. It is not a political target. It is an economic target. I am sure the member understands that. I am also sure the member understands when I say that it is an interim target that our ultimate target is to eliminate the deficit.

I am also sure the member will understand that a country does not only live by targets, that it lives by success. If I might, as of today the fact is Canada had its most impressive year ever for trade. I want to congratulate my colleagues. Merchandise exports, imports and the trade surplus over the year are at record levels. I congratulate the minister.

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, the hon. minister can laud those accomplishments all he wants. Was it because of the government or despite the government that those things happened?

Moody's and the business community are saying very clearly to the government that it should work toward a balanced budget and we could maintain our triple–A rating. That is not happening.

Under the current circumstances would the minister consider stopping the presses, revising his budget, increasing the expenditure reduction and bringing in a more credible budget at the

end of this month, better than the one he has announced to the business community?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, last spring when the House was sitting the members opposite kept standing up and saying we are not going to hit our target, will we bring in a new budget, that they are panic stricken and we have to do something. About every second day there was a new cry of gloom and doom from the other side.

At that time we said there was no necessity to bring in a new budget for this year because we were going to hit our targets. Now we are going to beat those targets by a great deal.

The hon. member is bringing in his budget next Tuesday. We all look forward to it. I find it a little difficult that he stands in this House and says that we must revise our budget, we must bring in a more credible budget when he has not even seen it.

I can understand the necessity of practising and rehearsing his lines for after we bring in the budget but I do not think he should do it publicly.

* * *

• (1140)

[*Translation*]

LOW LEVEL FLIGHTS

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, my question is for the Minister of the Environment.

The Federal Environmental Assessment Review Panel, which is studying a proposal to increase the number of low level flights in Labrador, has not yet submitted its report to the government.

Is the Minister of the Environment aware of the negotiations currently in progress between Canada and Italy, Belgium, and the United States with a view to permitting new military training flights, even before the impact on the environment, wildlife, and people is known, and has the minister given her support for these negotiations?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): No, Mr. Speaker.

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, how does the minister explain her government's disregard for the normal democratic process of consultation, by negotiating new low level flights now, even before the assessment report has been tabled?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, we reject the hon. member's allegation. The environmental assessment is currently under way, and we will abide by the results of the assessment, which have yet to be reported to cabinet.

* * *

[*English*]

CAMP IPPERWASH

Mrs. Rose-Marie Ur (Lambton—Middlesex, Lib.): Mr. Speaker, my question is for the Minister of National Defence.

Last year this government announced its commitment to return the site of Camp Ipperwash to the Kettle and Stoney Point Band. I understand that DND and the band have had discussions about a joint environmental assessment of the land before it is turned over.

Will the minister please tell me what progress is being made on returning the Camp Ipperwash land to the Kettle and Stoney Point Band?

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I thank the hon. member for her question. I know she is very concerned with the future of those particular lands.

As she will know, we decided to close Camp Ipperwash in last year's defence cuts because we believed that we could discharge our obligations at other facilities in Ontario and also because we wanted to facilitate the land being returned to the native population.

We are prepared to engage in a study with the native population of the area to decide on which approach should be taken in terms of environmental clean-up. We will give equal status to them on any particular study that is done.

Unfortunately we have yet to secure the agreement of local native leaders in this process and we are most anxious to do so.

* * *

LABOUR

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, my question is for the Minister of Human Resources Development.

Last April the minister appointed Paul Fraser to report on current labour issues in the rail sector affecting CN, CP and Via Rail. This report has been pushed back a number of times now.

Where is the report and why has it not been able to prevent what appears to be an inevitable strike?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, if I might be allowed to clarify the hon. member's assertions, we appointed Mr. Allan Hope as the conciliation commissioner, not Mr. Paul Fraser. Mr. Hope has

already submitted his conciliation report which I received just last week.

We are presently reviewing it. It is going forward for translation. I expect to be able to table that report sometime next week at which time I hope it will provide the basis for a good negotiated settlement between the parties. I would not engage, as the hon. member seems to do, in prophesying a strike. I think the report can provide the basis for an agreement.

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, we certainly hope that Mr. Hope's report does bring hope to the situation.

In 1950, 1966, 1973 and 1987 the federal government introduced back to work legislation within days of a railway strike and had to appoint an arbitrator. Last year a grain handler strike went through the same process.

Recognizing the devastation and the consequences of another strike to industry in Canada, now that the minister expects to receive this—

The Acting Speaker (Mr. Kilger): I would hope the member would get to the question, please.

Mr. McClelland: Will the minister introduce legislation that would prevent a strike before the need for back to work legislation?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, at no time did we welcome the need to use back to work legislation. The Canadian labour code was built upon the basic principle of collective bargaining, which means that parties to a dispute can arrive at a settlement that meets their mutual interests. That is on what the labour relations of the country have been built and have in fact served us.

• (1145)

Over the last year or so we have had a remarkable period of labour peace in Canada which I think we would like to see maintained. I would expect, once we table the report, that hope will spring eternal for a settlement.

* * *

[*Translation*]

SOCIAL HOUSING

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, my question is for the public works minister.

For a few weeks now, the people of Quebec and Canada have been living under the threat of the next budget. People in need fear that it might be worse than the last one in the area of new social and co–op housing.

Given that since 1991, Quebec received only 19 per cent of the total amount earmarked for social housing, when it has a quarter of the population, which translates into a potential loss of $100 million per year, would the Minister of Public works commit himself to correcting this unfair situation for the neediest part of the Quebec population?

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, I appreciate the hon. member's question. I am sure he is well aware that all ministers of the crown have to participate in cutbacks in terms of various expenditures in each of our departments.

The Minister of Finance has been extremely vigilant with cabinet colleagues to make sure that every expenditure is given due consideration.

I wish I could stand in the House today, and indeed in subsequent weeks, and give all sorts of assurances that there will be largess from the Government of Canada as it relates to housing. Quite frankly I think that would be misleading the House.

Mr. Jean–Paul Marchand (Québec–Est, BQ): That answer, Mr. Speaker, comes from the mouth of a minister who is well known for his patronage in the maritimes and who shells out almost $400 million a year—

The Acting Speaker (Mr. Kilger): Order. I ask the hon. member to put his question.

Mr. Marchand: The $100 million Quebec has lost over the past few years could be even higher if it were based on a Canadian standard—

The Acting Speaker (Mr. Kilger): Order. A question, please.

Mr. Marchand: That is my question. Is he aware that the $100 million is based on population and that if it were based on a Canadian standard of need it would be much higher than $100 million a year?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, I can well appreciate the concerns the hon. member is expressing, but he should know that we are in a very difficult fiscal situation as the Minister of Finance has told Canadians repeatedly.

I do not think it is accurate for the hon. member to suggest in the House or to imply by his questioning that somehow we are doing inappropriate things when it comes to the province of Quebec.

I remind the hon. member that the government, in view of its limited fiscal capacity, has provided $5 million over four years in support of low income housing through the CREESOM initiative. We have provided another $5 million in terms of the RéparAction program and another $5 million in terms of landlords to upgrade rental and rooming housing. We have provided

further assistance as it relates to assisting homeowners with cracked foundations.

Given the fact that the Minister of Finance and other members of cabinet have a limited capacity within which to operate, I think we have done reasonably well under the guise of fairness to provide that kind of assistance to the province of Quebec.

* * *

MEMBERS' PENSIONS

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, for months now we have been listening to the Liberal government rail against two–tier health care and two–tier taxation.

Imagine my surprise when the Liberals floated a two–tier MP pension: a reduced trough for the new MPs and the original pork barrel for the Liberal frontbenches.

My question is for the Deputy Prime Minister. Why does the Liberal rhetoric of equality not apply to MP pensions? Why are so many Liberal MPs reluctant to part with their gold plated pensions?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the premise of the hon. member's question is false.

• (1150)

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, there is a price to pay for floating trial balloons and this one may be shot down.

I have a supplementary question. Why will the government not bring MPs' pensions into line with those in the private sector, do it equally across the board and do it now?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, I think the Deputy Prime Minister said it all, but let me add that the government will acquit itself of its obligation with respect to the reform of MPs' pensions and it will be doing it mighty soon.

* * *

GOVERNMENT EXPENDITURES

Mr. Peter Thalheimer (Timmins—Chapleau, Lib.): Mr. Speaker, Canadians in general and my constituents in particular have expressed great concern that overlap and duplication at all levels of government are costly and unnecessary.

In his speech on Wednesday, the Minister of Foreign Affairs announced that from now on the federal government would concentrate on areas of federal jurisdiction, recognizing that overlap and duplication had become serious problems.

What is the government doing to reduce costly overlap and duplication among all levels of government, particularly here in Ontario?

Mr. John English (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, I agree with the hon. member and my colleagues opposite that overlap and duplication seriously impair the efficiency of our federation. Fortunately we are making some real progress.

We have concluded agreements with the provincial government in 60 cases where we have made commitments. In these 60 cases, we have eliminated the overlap and duplication that raise costs for government in such areas as food inspection, drug prosecution, environmental management and, the member for Simcoe Centre will be glad to know, the Canada–Ontario Business Centre. Canada works best when it works together.

* * *

TAXATION

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, my question is for the Minister of Finance who in his pursuit for tax fairness may or may not be aware that the business entertainment tax deduction includes escort services as long as the escort services are called being a bodyguard or a tour guide.

Again in an effort to bring sanity to our tax system, would the minister indicate to the House and to the Canadian public generally whether he feels it is an appropriate entertainment tax deduction?

Hon. David Anderson (Minister of National Revenue, Lib.): Mr. Speaker, I assure the hon. member that the escort services to which he has referred are not permitted.

However, if there is a situation where a bodyguard is required or a tour guide is required, it might be considered a legitimate business expense when entertaining a foreign client or someone like that. An interpreter would be in the same position.

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, this may put a new twist on the term bodyguard or tour around the world guide or whatever.

Again in the pursuit of tax fairness, the Minister of Finance will know full well that a number of years ago as a result of the Carter commission, a study into Canada's taxation system, he indicated that a buck should be considered a buck, a buck, a buck, referring to the fact that a buck as capital gains is not equal to a dollar earned by labour.

Would the Minister of Finance recognize that this policy is worth considering at this point, particularly when we acknowledge that $1 billion is lost each year to the national treasury as a result of this tax provision?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I commend the member and certain members on my side who continue in the pursuit of tax fairness. It brings a very important element to the debate.

I fully understand the member's question and think everything should be on the table. Obviously everything should be looked at, but I would say that one can make the distinction especially at a time when one is looking to small and medium sized business and to entrepreneurs to create jobs. We should recognize that income derived from a certain degree of risk may well be treated differently if we are going to create the capital in the country to create more jobs.

* * *

• (1155)

[*Translation*]

THE ENVIRONMENT

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, my question is for the Minister of the Environment. After making important commitments during the election campaign to reduce greenhouse gases, the government has been at a standstill on the issue for 15 months. Worse yet, the federal Cabinet is divided on the issue of whether punitive measures or only incentives should be used.

Is the Minister of the Environment of the same opinion as her counterpart from natural resources and the Prime Minister that the only way to meet the red book's commitment of reducing greenhouse gases is to implement voluntary measures and incentives in the industry?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, it is unfortunate that the hon. member has not yet had the chance to read the Liberal government's commitment in the red book, because in the red book, we promised a national action program that we will present in Berlin, and we are continuing to work towards that goal with all those concerned.

I am disappointed that, unfortunately, one government will not be present at the meeting in Toronto, next Monday. All of the action plans will be tabled at that meeting. And, unfortunately, the one government which will not be present at the meeting on the very important issue of the effect of greenhouse gases on all Canadians is the government of Quebec. We want to work with the government of Quebec and I hope that the member opposite will do his best to bring Quebec to the negotiating table in Toronto on Monday.

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, given the bad track record the oil industry has regarding environmental protection, will the minister not concede that the government is dreaming in technicolour if it believes that it can reduce greenhouse gases by virtue of incentives only?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, it is obvious that we need stronger measures in addition to mere incentives. This was the policy we adopted in Bathurst with all of ministers of the environment and energy.

Unfortunately, I must reiterate that the Parti Quebecois and the Bloc Quebecois will be the first to accuse us of stepping on the provinces' toes if we were to regulate emissions that fall under provincial jurisdiction. What we promised in the red book was to get our house in order first and also to encourage all of the provinces to put in place more than incentives. We expect the government of Quebec to take part in discussions on this issue, which transcends all politics. It concerns the health of Canadians.

* * *

[*English*]

GOVERNMENT APPOINTMENTS

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, my question is for the Minister responsible for Public Service Renewal.

Yesterday the government released part of its program review, a review that took almost a year to complete. While a number of patronage positions were reduced it was a drop in the bucket and the old system of patronage is still intact.

Canadians are looking for a change in the process of appointments and until the process is changed nothing is really different.

Why did the minister not announce a change in the patronage process during yesterday's announcement?

Mr. John English (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, I thank the hon. member for his question.

The agency review announced yesterday that the number of governor in council appointments were reduced greatly. To clarify the situation, between November 1993 and the beginning of February the Government of Canada appointed approximately 700 persons to governor in council positions. It was actually 100 less than that because 600 were new appointments. The

previous government had appointed 1,819 in the same period. In effect we have reduced the appointments by two–thirds.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, the patronage process has been in place in Canada for 100 years. Yesterday's announcement did not change the process at all.

We need a more orderly, a more objective and a fairer process so Canadians have faith in the appointments the government is involved in.

• (1200)

Why did the minister not change the patronage appointment process yesterday so that hundreds of these appointments do not continue to be made behind closed doors by orders in council?

Mr. John English (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, I wish to reiterate that it is a change of process where the numbers are one–third of what they were before.

We are changing the acts to make the processes fairer. All appointments are advertised in the *Canada Gazette* and we look at competence and merit in our appointments.

* * *

GUN CONTROL

Mr. Harold Culbert (Carleton—Charlotte, Lib.): Mr. Speaker, my question is for the Minister of Justice.

The new firearms' legislation includes universal registration, which is seen by many as a penalty to the responsible firearm owner, sporting enthusiast, farmer, game hunter and collector. Can the minister tell the House what benefits there are in requiring responsible owners to register their firearms?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, yesterday I had the privilege of leading off debate on second reading of Bill C–68. I commend to the hon. member *Hansard*, particularly pages 9707 to 9710 on this subject where I develop the reasons why registration will enhance community safety.

Let me briefly mention three now. By the way, I met with firearms' owners and groups in New Brunswick. I am well aware of their concerns.

First, where someone has firearms which are in collections or are of value to the owner, if they are lost or stolen, registration will enable the police to return those firearms to the owners. That is very helpful.

Second, the police want to have registration so when they are responding to calls of domestic violence, for example, they know what firearms are there before they arrive.

Third, police say that when courts make orders prohibiting people from having firearms, they cannot enforce them unless they have registration to make sure they have collected all the firearms which the person in question might own.

I commend to the hon. member the views of the Catholic Women's League of Canada, which has an important provincial chapter in Oromocto, New Brunswick, which just wrote endorsing universal registration and the balance of our firearms package.

* * *

[*Translation*]

WAYS AND MEANS

TABLING OF NOTICE OF MOTION

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, pursuant to the provisions of Standing Order 83(1), I have the honour to lay upon the Table some explanatory notes and a Notice of Ways and Means Motion to amend the Income Tax Act.

This motion is part of the government's plan to raise, as of midnight, the excise tax on cigarettes sold at the retail level in Ontario and Quebec.

I ask that you designate an Order of the Day for the consideration of the said motion.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

VOICE MAIL

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, pursuant to Standing Order 36, I have the honour to table officially, on behalf of constituents in Beauport—Montmorency—Orléans, a petition with 253 signatures in which your petitioners call upon Parliament to urge the government to drop its plan to introduce a voice mail system for its services to senior citizens.

I agree with their position, and I think senior citizens are entitled to personalized services that meet their needs.

[*English*]

HUMAN RIGHTS

Mrs. Rose–Marie Ur (Lambton—Middlesex, Lib.): Mr. Speaker, I wish to table three petitions signed by the constituents of Lambton—Middlesex and duly certified by the clerk of petitions pursuant to Standing Order 36.

The petitioners pray and request that Parliament not amend the Human Rights Act or the Charter of Rights and Freedoms in

any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination, the undefined phrase sexual orientation.

• (1205)

CANADIAN WHEAT BOARD

Mrs. Georgette Sheridan (Saskatoon—Humboldt, Lib.): Mr. Speaker, pursuant to Standing Order 36, I have the pleasure of rising in the House today to present a petition on behalf of some of my constituents who request that Parliament continue to give the Canadian Wheat Board monopoly powers in marketing wheat and barley for export.

JUSTICE

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, on behalf of our hon. colleague, the member for Calgary Southeast, I rise in the House on day 10 to present petitions.

These petitions are being presented on behalf of constituents who wish to halt the early release from prison of Robert Paul Thompson. April 11, 1995 is the date set for the parole hearing.

The petitioners I represent are concerned about making the streets safer for our citizens. They are opposed to the current practice of early release of violent offenders prior to serving the full extent of their sentences.

The petitioners pray that the streets will be made safer for law–abiding citizens and the families of the victims of convicted murderers.

CABLE INDUSTRY

Mr. Dan McTeague (Ontario, Lib.): Mr. Speaker, I have the privilege, pursuant to Standing Order 36, of presenting the first of many petitions dealing with the cable industry.

The 114 petitioners represent people from across southern Ontario who are requesting that the federal government immediately launch an investigation by the CRTC into the way in which cable companies have been raising prices inequitably.

HUMAN RIGHTS

Mr. John O'Reilly (Victoria—Haliburton, Lib.): Mr. Speaker, pursuant to Standing Order 36, it is with pleasure that I rise to present a petition with signatures from Beaverton, Fenelon Falls, Woodville and Cannington in the riding of Victoria—Haliburton.

The petition calls on Parliament to oppose any amendments to the Canadian Human Rights Act or the Canadian Charter of Rights and Freedoms which provide for the inclusion of the phrase sexual orientation.

Mr. Ian Murray (Lanark—Carleton, Lib.): Mr. Speaker, I have three petitions to present to the House today. The first petition, pursuant to Standing Order 36, is on behalf of 150 constituents who pray and request that Parliament not amend the human rights code, the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

The second petition is on the same subject matter. Almost 100 constituents are calling on Parliament to oppose any amendments to the Canadian Human Rights Act or the Canadian Charter of Rights and Freedoms which provide for the inclusion of the phrase sexual orientation.

YOUNG OFFENDERS

Mr. Ian Murray (Lanark—Carleton, Lib.): My last petition, Mr. Speaker, is from constituents who are very concerned about the increase in youth crime in our country.

The petitioners request that the government review and revise our laws concerning young offenders by empowering the courts to prosecute and punish young lawbreakers who are terrorizing our society by releasing their names and lowering the age limit to allow prosecution to meet the severity of the crime.

MINING INDUSTRY

Mr. Charles Hubbard (Miramichi, Lib.): Mr. Speaker, I have two petitions pursuant to Standing Order 36.

The first petition draws the attention of the House to the fact that Canada's investment climate is forcing its mineral industry to look for new opportunities abroad.

The Canadian Mineral Industry Federation has prepared a 10–point program of action to be addressed by both the mineral industry and the Government of Canada to keep mining in Canada. The petition urges Parliament to take action to increase employment in this sector, promote exploration, rebuild Canada's mineral reserves, sustain mining and keep mining in Canada.

ASSISTED SUICIDE

Mr. Charles Hubbard (Miramichi, Lib.): The second petition, Mr. Speaker, prays that Parliament ensures that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in this law which would sanction or allow the aiding or abetting of suicide or any activity designed to terminate a life.

ABORTION

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe, Lib.): Mr. Speaker, pursuant to Standing Order 36, I am

presenting four petitions from my constituents from the riding of Wellington—Grey—Dufferin—Simcoe.

The first petition contains 29 signatures and calls on the government to amend the Criminal Code to extend protection to unborn children the same protection enjoyed by born human beings.

HUMAN RIGHTS

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe, Lib.): Mr. Speaker, the second petition contains 32 names and calls on the government not to amend the human rights code in relation to the recognition of same sex relations.

ASSISTED SUICIDE

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe, Lib.): Mr. Speaker, the third petition contains 42 signatures and calls on the government to ensure that the present provisions in the Criminal Code with regard to assisted suicide be enforced vigorously and make no changes to the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

• (1210)

DAY CARE

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe, Lib.): Mr. Speaker, the fourth and final petition contains 100 signatures and asks the House to oppose any legislation that increases child care expenditures or attempts to regulate day care standards at the federal level.

EUTHANASIA

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, I wish to present three petitions on behalf of the constituents of Simcoe Centre.

The first is on the issue of euthanasia. The petitioners request that Parliament not sanction or allow the aiding or abetting of suicide or of euthanasia.

HUMAN RIGHTS

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, the second petition requests the Government of Canada not to amend the Human Rights Act to include the phrase sexual orientation.

The petitioners fear that such an inclusion would indicate societal approval of homosexual behaviour. The petitioners believe that the government should not legitimize this behaviour against the clear wishes of the majority.

CRIMINAL CODE

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, the final petition is about section 745 of the Criminal Code.

The petitioners request that Parliament repeal section 745 of the Criminal Code so that those convicted of first degree murder will have to serve their full 25–year sentence behind bars.

BILL C–41

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, I would like to present four petitions to the House today.

It gives me great pleasure to present the first one on behalf of 1,556 of my constituents who ask Parliament not to pass Bill C–41, with section 718.2 as it is presently and not to include the undefined phrase, sexual orientation, as this does not warrant special consideration in Canadian law.

VOLUNTEER FIREFIGHTERS

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, I have a second petition. The petitioners pray and request that Parliament recognize the social commitment and dedication of all volunteer firefighters by raising the tax exemption from $500 to $1,000.

DANGEROUS OFFENDERS

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, the third petition comes from 275 people in my constituency, who ask Parliament to amend the Corrections and Conditional Release Act and the Criminal Code to allow dangerous offender applications to be made just prior to the expiration of the offender's sentence. Then if the court accepts the application, the court could issue an order for continued detention or supervision of the offender.

THE BUDGET

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, the last petition I would like to present today on behalf of my constituents asks Parliament to reduce government spending instead of increasing taxes and to implement a taxpayer protection act to limit federal government spending.

* * *

POINTS OF ORDER

QUESTIONS ON THE ORDER PAPER

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, I have a point of order concerning questions that are placed on the Order Paper.

This is the third time I have risen in the House to ask the status of the answer to question 93 which I posed last October 19. Normally these questions must be responded to by the government within 45 days. It is now 122 days.

This is a flagrant show of disrespect for the rules of the House. I have stood in the House three times to ask for an answer to my question. "Maybe next week some time" I am going to get an answer to Question 93.

Is there a way to ask the Speaker of the House to force or to at least demand that the government respect the rules and give me the answer to Question 93, which is way overdue.

The Deputy Speaker: The hon. parliamentary secretary might deal with the hon. member's representations when he makes his statement.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I intend to do exactly that. This is the third time the hon. member has got up in the last seven or eight days on this particular question.

I pointed out to him on the first occasion that when he looks at the question, and he knows this perfectly well because he wrote it, he has asked for a list that must be quite substantial.

The question asked what contracts for services, supplies and leasing have been awarded by Public Works and Government Services since October 25, 1993 in all federal constituencies in Quebec and what federal government properties are located in those same constituencies? It will be an extremely substantial list.

• (1215)

In providing an answer to the hon. member, the government wants to make sure it is accurate. I have no doubt great pains are being taken to ensure a full, accurate response will be given to the member.

The hon. member has asked for an answer within 45 days. It is impossible to prepare such a lengthy reply in that time and he knows that. We are doing our best to get the answer. I assure him I am working on getting an answer for his question. I will continue to work to get an answer for his question. I hope to be in a position to table that answer soon.

In the meantime, I ask that all questions be allowed to stand.

[*Translation*]

The Deputy Speaker: Shall all the questions be allowed to stand? The hon. member for Québec–Est will probably not agree.

Mr. Marchand: Mr. Speaker, no, I do not agree. The parliamentary secretary spoke of 45 adays, but it has now been 122 days, not 45.

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

Some hon. members: Agreed.

[*English*]

The Deputy Speaker: I understand the hon. member for Kamloops has a petition. I do not think anyone will object if we revert to petitions.

PETITIONS

MINING INDUSTRY

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, I am pleased to present a petition on behalf of the residents of Logan Lake, Kamloops and Ashcroft, all in British Columbia, who draw to the attention of the House the importance of Canada's mining industry.

They make a number of very forceful points which I will not repeat here. They are simply calling upon Parliament to take action that will increase employment in the mining sector, promote exploration for the mining sector, rebuild Canada's mineral reserves, sustain our mining communities, and essentially keep mining in Canada.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

The House resumed consideration of the motion that Bill C–59, an act to amend the Income Tax Act and the Income Tax Application Rules, be read the third time and passed.

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, I appreciate having an opportunity to speak on the tax legislation at third reading. Essentially it is tax reform.

As my hon. friend from Vancouver South indicated in his presentation, there is an effort here at tax simplification as well, but we have a long way to go. This multi–volume treatise is an effort at simplifying the tax system. Imagine the size of the Tax Act of Canada and the appropriate regulations and interpretations that would go with it. It would stand two or three feet on the desk.

I am going to simply read a small portion to raise the question: Does this actually simplify our tax system or not? I am reading from page 46, number 7:

> Subsections (1), (3) and (4) apply to dividends received after February 21, 1994 other than dividends received before 1995 in the course of a reorganization that was required on February 22, 1994 to be carried out pursuant to a written agreement entered into before February 22, 1994, except that, in applying the act to dividends received before June 23, 1994 to which subsections (1), (3) and (4) apply,
>
> (a) Paragraph 55(3.1)(b) of the act, as enacted by subsection (4), shall be read as follows:

It goes on:

> (b) The act shall be read without reference to paragraphs 55(3.1)(c) and (d) and (3.2)(c) and (e) as enacted by subsection 4.

Page 48, number 8:

Subsections (2), (5) and (6) apply to dividends received after February 21, 1994, other than dividends received as part of a transaction or event or a series of transactions or events that was required on before February 22, 1994 to be carried out pursuant to a written agreement entered into before February 22, 1994.

17.(1) Subsection 67.1(1) of the act is amended by replacing the reference to 80 per cent with a reference to 50 per cent.

(2) Subsection 1 applies to expenses incurred after February 21, 1994 in respect of food and beverages consumed and entertainment enjoyed after February 1994.

18.(1) Subparagraph 70(5.1)(d)(ii) 2 of the act is replaced—

I could go on. And this is an effort at simplification. I cannot imagine anybody without some superhuman mind, with multiple degrees in logic being able to even pretend that they follow this.

• (1220)

Is it any wonder our tax system is so abused? By abused I refer to the many people who have lost complete faith in the tax system as being any kind of a fair system, a just system, an equitable system. They simply interpret every one of these sections to their advantage in the hopes there will not be an audit. Because of the cutbacks in Revenue Canada obviously there are very few auditors auditing out there, and if you are audited, you can challenge the interpretation.

When my friend from Vancouver South says the government has taken major steps in clarifying and simplifying the tax system, I am not certain what section he is reading because it is certainly nothing I have ever read in this area.

The hon. member goes on today as a result of this legislation to comment on the reduction of the business entertainment deduction from 80 to 50 per cent. The Minister of National Revenue confirmed today that escort services have traditionally been included as a legitimate business expense under the act, which raises a few questions just on its own terms. However, that deductibility will be reduced from 80 per cent of the escort service cost down to 50 per cent.

Because of the public furore the tax department has said it is going to redefine that. The escort services that you see listed in a telephone book will be disallowed. However if the escort service is considered to be a bodyguard, a tour guide, or an interpreter as the Minister of National Revenue confirmed today, of course they would be legitimate deductions.

I can see accountants becoming quite creative in the use of those terms to allow that business expense to continue. I could go on and on with all sorts of illegitimate uses. They would not be illegal because again, as long as an escort service is considered to be an interpreter or a bodyguard, it is a legitimate expense.

In the spirit of fairness, surely there must be some distinction when it comes to business entertainment deductions. There is a difference between a number of individuals getting together over lunch or dinner to discuss a business transaction or some aspect of carrying out their business, and some lavish entertainment where folks are visiting a number of posh clubs and wining and dining at extravagant prices. Again a certain amount of that tab is being picked up by the general taxpayers of the country. I simply point that out as one of the problems with a section of this bill.

The member for Vancouver South gives us the impression that major steps have been taken to bring fairness back into the system. However, I do not think any step at all has been taken but to put some difficulty on those individuals who are carrying out a legitimate business transaction over a business lunch.

Other than that in Bill C–59, I want to also mention the reference made by a number of speakers about the tax revolt which is taking place and the fact that people are calling for, predicting or suggesting there is bound to be a tax revolt if the minister raises taxes. There already is a tax revolt under way.

That tax revolt has been in place for many years. It is called the underground economy. People have simply said that they have have lost faith in the tax system. They are going to conduct as much business as possible underground, under the table where it is then obviously unreported and by definition, untaxed.

To what extent does this underground economy exist? Obviously there is no accurate figure, but from my study of this issue, the lowest amount I have ever come across is about $40 billion in annual business transactions and the highest has been $120 billion. I am not here to say that either one of these extremes is accurate. Regardless, it is a substantial amount of money and my guess is that it is probably even higher than these estimates would suggest.

Is there anyone in the country these days who in some form is not participating in the underground economy? I say that not suggesting anybody here or anywhere is willfully breaking the law. I refer to our neighbours to the south. Whenever President Clinton is trying to appoint someone to some official capacity under the scrutiny of Congress eventually or inevitably it is pointed out that they have participated in the underground economy by paying a nanny cash or buying wood for cash from somebody for their fireplace or participating in some barter aspect. It has become almost a Canadian way of life.

• (1225)

I notice that now when you walk into almost any book store in Canada right, front and centre some of the best sellers are on how to avoid tax. I noticed one the other day in which the person said forget it, leave Canada and live in the Cayman Islands and transfer everything right offshore. He has given up totally on even trying to come to any realistic approach to the tax system.

In the press today I thought were some very interesting comments. Neville Nankivell, writing under the title of nation's business for the *Financial Post*, reports that presently there are about $6.6 billion owed in unpaid taxes. These are simply individuals or companies that have agreed that they owe these taxes and will pay them in due time and are presently paying a penalty. There is another $2.7 billion tied up in tax appeals before the courts.

There we have $9.3 billion sort of sitting there that probably will end up one day in the treasury but this does not include all those who are simply tax evaders. Unfortunately there are increasing numbers of those folks.

For the under reporters, that is the underground economy, we might be talking here if this were to be taxed at some nominal rate at between $10 billion and $30 billion.

In other words, what this tells me, and perhaps I am naive in this interpretation, is that if we had a decent, fair and just tax system, and the economy were brought from underneath the table on to the top of the table and taxed at some realistic level, that would be the entire deficit paid down just from the additional revenues from a fair and honest system of doing business in the country.

That is a bit of a wish list but it does point out the incredible extent of the underground economy and what that is doing in terms of the future of the country regarding our debt and deficit pay down.

In the last moment or two remaining I do want to mention one aspect that I think is causing a great deal of concern to the public generally and that is the possibility of taxing dental and health plans that employers contribute to and so on.

I know this would generate a lot of money in terms of the government. So many people now have access to decent health care, I am thinking particularly of the preventative kind, certainly decent dental care and the only way that is available to them is as a result of these company plans. To tax those plans, as so many people have indicated, would obviously mean that a number of people, and unfortunately large numbers of people, would simply have inappropriate dental and health care.

I cannot imagine any member standing up and suggesting that a tax be levied on these kinds of health care plans and dental plans.

I also want to draw the attention of the House to an article in the paper the other day mentioning the whole matter of those folks who are selling property in the United States and are going to have a tax credit here in Canada. I raised this in the House with the Minister of Finance. I said that if a person is selling property in the United States over $600,000 in U.S. assets, should we be providing tax credits for that here in Canada? In other words, should we be encouraging people to buy and sell property in the United States?

I know the Minister of Finance had an explanation for this. I suppose he could have an explanation for even deducting escort services on our tax and so on. The point is as we struggle to come up with a reasonable tax system I notice in the press yesterday a whole number of what I would call tax experts are saying that this provision is simply wrong.

I am not referring to members of Parliament from most political parties who have been critical of this. People who are knowledgeable about the tax system are now saying that this whole aspect of a tax arrangement between Canada and the United States that allows Canadians selling their assets in the United States over $600,000 to receive tax credits here in Canada is simply wrong.

I would support that notion and raise this today to flag the incident for the Minister of Finance as something to consider when he introduces his budget in a few days.

While these changes in the bill before us do make the tax system somewhat more equitable, we have a long way to go. In terms of making it more simple so people have some hope of understanding it, I would ask any member to sit down for five minutes and pick any page out of this attempted simplification to see if they can understand that page. If they can, I would have to admit they are a better person than I when it comes to understanding detailed tax matters.

In closing, a lot of work has yet to be done. I appreciate that this is a small step toward improving the tax system but I would emphasize that it is only a very small step. For that reason my party will be voting against the bill at third reading.

[*Translation*]

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

The Deputy Speaker: In my opinion, the yeas have it.

And more than five members having risen:

The Deputy Speaker: Pursuant to Standing Order 45(6), the recorded division stands deferred until 6.30 p.m. on Monday, February 20, 1995.

[*English*]

Mr. Boudria: Mr. Speaker, I think you would find unanimous consent to further defer the vote until Tuesday at 5.30 p.m.

The Deputy Speaker: Is there unanimous consent?

Some hon. members: Agreed.

Mr. Boudria: Mr. Speaker, I think you would find unanimous consent to call it the time of adjournment.

The Deputy Speaker: Is there unanimous consent?

Some hon. members: Agreed.

The Deputy Speaker: It being 12.33 p.m., the House stands adjourned until Monday at 11 a.m.

(The House adjourned at 12.33 p.m.)

HOUSE OF COMMONS

Monday, February 20, 1995

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

[*English*]

CUBA

Mr. Svend J. Robinson (Burnaby—Kingsway, NDP) moved:

> That, in the opinion of this House, the government should condemn in the strongest possible terms the inhumane embargo of Cuba by the United States; that the condemnation be made at the United Nations, the Organization of American States and directly to the U.S. administration; and, that Canada restore full bilateral aid and trade with Cuba.

He said: Mr. Speaker, I welcome the opportunity today to raise in the House an issue of fundamental importance to the relationship between the people of Canada, the people of Cuba and, in particular as my motion points out, to the impact on the people of Cuba of the blockade by the United States.

The motion before the House this morning has three components basically. First, it calls on the Government of Canada to condemn in the strongest possible terms the inhumane embargo of Cuba by the United States. It calls for that condemnation to be made at all possible opportunities, both bilateral and multilateral; at the United Nations, the Organization of American States and directly to the United States administration. Finally, the motion calls on Canada to restore full bilateral aid and trade. There is trade now but we should promote, strengthen and support that trade with Cuba.

This is a significant time in the relationship between Canada and Cuba. In fact, 1995 is the 50th anniversary of the establishment of diplomatic relations between Canada and Cuba. Those diplomatic relations have remained unbroken since 1945, a fact of which I as a Canadian am very proud. Canada was one of only two countries, the other being Mexico, that did not break diplomatic relations with Cuba following the triumph of the revolution in 1959. We celebrate that this year. In fact, there will be a number of celebrations, both in Canada and in Cuba next month.

• (1105)

As well, 1995 is the centenary of the death of the great Cuban revolutionary hero, José Marti, who died on May 19, 1885.

This is also an important week for this motion to be debated in the House. Today the Secretary General of the OAS, the Organization of American States, Mr. Gavaria, is in Canada. Later this week the President of the United States, President Bill Clinton, will be visiting as well. I trust that the government will take the opportunity, in particular the Prime Minister, to raise directly with President Clinton the destructive impact of the United States blockade on Cuba. I hope that he will take that opportunity this week.

[*Translation*]

I also regret that the Bloc Quebecois will apparently not support this motion. Frankly, I find it surprising that the Bloc Quebecois, although several Bloc members are taking an active role in the Canadian parliamentary group on Cuba, will speak against a motion to lift the embargo against Cuba, to promote free trade and bilateral aid for Cuba. I can only presume that once again the Bloc Quebecois took this surprising position because of the priority it gives to relations with the United States.

The Bloc supported cruise missile testing; the Bloc supported the free trade agreement; the Bloc now supports the United States' immoral and illegal embargo. This is unbelievable and unacceptable, especially because many groups in Quebec, for example Carrefour culturel de l'amitié Québec–Cuba and Oxfam Québec, are demanding, like other Canadians, that the inhumane and cruel embargo against Cuba be lifted and that the Liberal government put this issue high on the list of items on the agenda for the upcoming meeting with the American president.

Once again, the Bloc Quebecois does not speak for Quebecers on this fundamental humanitarian issue of rights for Cubans. It is a pity that we have had to do this in their stead.

[*English*]

I would note as well that at a major international solidarity meeting last November in Havana, 1995 was declared the international year of José Marti and the struggle against the blockade. This is a motion which is of particular significance in this important year.

Last month I had the honour of participating in the first ever Canadian parliamentary delegation which was hosted by the National Assembly of Cuba. I see a number of my colleagues from all sides of the House who participated in that delegation.

[*Translation*]

Unfortunately the hon. member for Laval East was not able to take part, but she supported us. She supported the requests, as did many other Bloc Quebecois members. The member for Bourassa, for one, would be surprised to see the position taken by the Bloc today.

[*English*]

We met with many groups. We met with Cuban organizations, with individuals and with ministers. We had the opportunity to meet with Fidel Castro. We visited schools, hospitals and research centres. Our group was hosted on this historic visit by the president of the corresponding group in Cuba, the Minister of Education, Luis Gomes. During that same time frame, a large number of NGOs were visiting Cuba under the auspices of the Cuba–Canada Inter–Agency Project made up of some 36 Canadian NGOs and churches and 25 community based organizations.

• (1110)

These NGOs have played an extraordinary role in helping to promote greater understanding, awareness, and solidarity with the people of Cuba. They include groups such as Oxfam Canada, the Saskatchewan Council for International Co–operation, CUSO, the United Church of Canada and the Anglican Church of Canada, as well as many groups based in Quebec.

I want to take this opportunity in speaking of NGOs to also pay tribute to the many Canadian NGOs, churches, groups and individuals who have demonstrated their solidarity with the people of Cuba at this very difficult time for that country. Last August a group from across Canada, the brigadistas, travelled to Cuba to demonstrate their solidarity by working directly with the people of Cuba. The friendship groups assist in helping to provide desperately needed aid, particularly humanitarian aid, to the people of Cuba.

Many different elements of the labour movement have demonstrated concrete solidarity. I salute here the recent leadership of the Canadian Labour Congress on this issue, the Canadian–Cuban Friendship Association in British Columbia, in my own area, and many others. All of these groups, without exception, have called on the United States government to lift the illegal and immoral blockade which has been in force since 1963.

At the most recent vote of the United Nations, 101 countries voted in favour of the lifting of the blockade and only two, the United States and Israel, opposed the resolution. Instead of responding to this appeal from around the world, what is the response of the leaders of the United States congress? The new chair of the Senate foreign relations committee, Jesse Helms, says he wants to strengthen the blockade. That is absolutely unbelievable. He wants to effectively put an iron noose around Cuba. The test will come with the response of the United States president.

It is time for President Clinton to stop listening to the right wing reactionary forces based in Miami, the Cuban American National Foundation, the Mas Canosas, and start listening to the progressive voices of the American people, including a number of Cuban Americans. It is time he started listening to the voices of his closest neighbours, the Canadian government and the Mexican government, that have called for a lifting of this blockade.

It is time he started listening to some of his own legislators, democratic senators, members of the House of Representatives, like Claiborne Pell, Charles Rangel, José Seranno and others. Even the *Wall Street Journal* is calling on the United States administration to lift the embargo.

The impact of the blockade has been devastating. Together with the collapse of trade with Russia and eastern Europe, and some admitted inefficiencies in the Cuban economy, the impact has been devastating. Dr. Benjamin Spock, when he visited Cuba in 1993, wrote on his return: "When I visited Cuba I discovered pediatricians at otherwise splendid hospitals who spent every morning counting medication for the children. The director of a day care centre dreaded that the milk supply would dry up for her preschoolers, as it has for all Cuban children older than seven. How should we feel about an embargo that is keeping food and medicines from Cuban children?" I feel ashamed.

There are widespread hardships as a result of the embargo. One of the ironies is that these hardships even affect the American people. My colleagues and I visited a research facility in Havana which makes drugs that assist in traumatic heart attacks. These drugs, called recombinant streptokinase, would save American lives. Are Americans allowed access to them under the blockade? No. It is the same with a vaccine against meningitis B developed in Cuba. It cannot be distributed so it is hurting the United States as well.

• (1115)

In the midst of all the hardship as a result of the blockade, the Cuban government and the Cuban people have maintained a commitment to fundamental human and socialist values. For example, infant mortality rates in Cuba are the lowest in Latin America. They are lower than in many American cities. According to the most recent UNICEF figures it is about 9.9 per cent, one of the best records in the world. It is sort of ironic that the United States lectures Cuba on human rights.

Yes, we acknowledge there are concerns around human rights particularly in the areas of freedom of speech and freedom of association. There are concerns with respect to the treatment of gays and lesbians in Cuba. The situation is better but the history in that country is certainly not a happy one.

For the United States to lecture Cuba on human rights when it has a record of child poverty, of homelessness, of 37 million Americans with no health insurance whatsoever and of people with AIDS begging for funds to survive in the streets with unprecedented levels of crime, reeks of hypocrisy. It is not good enough. When they raise concerns around human rights in Cuba and are silent with respect to massive human rights violations in Guatemala, East Timor and elsewhere, it is not good enough.

In the midst of some of the most difficult economic times in the history of Cuba, Cuba is able to maintain its international solidarity. Over 13,000 children victims of the 1986 disaster at Chernobyl were assisted by the Government of Cuba. I personally saw a number of these children at a rehabilitation facility at Tarara just outside Havanah. This speaks probably more eloquently than anything else to the sense of international solidarity of the people of Cuba. Even at a time of difficult economic circumstances they are prepared to extend a hand to the poorest, to the most vulnerable in our communities.

Canada has an opportunity to play an important bridging role at this time to promote direct dialogue at last between the Government of Cuba and the Government of the United States. If the Government of the United States can maintain most favoured nation status with China, if it can end its embargo against Vietnam, if it can begin negotiations with North Korea, why this absurd and destructive obsession with Cuba?

What can we do? In the couple of minutes remaining I want to set out some alternatives. Canada can play an important role by extending and strengthening trade. I commend the Canadian ambassador to Cuba, Mark Entwistle, for the leadership and energy he has shown on this front.

We can strengthen EDC financing. We can ensure that we meet the kinds of standards other countries have set. We can promote support for environmental projects. Cuba has the opportunity to be an international environmental leader. Dr. Patricia Lane in particular from Dalhousie University has shown leadership in this regard. For example, they are trying to clean up some of the pollution in the Almendares River and others. This is the kind of role that Canada can play and play effectively.

We can promote strengthening bilateral aid and moving it beyond partnership and establishing a central co–ordination point within the foreign affairs ministry for responding to Cuba.

Perhaps one of the key components or priority in the trade area is negotiating now a foreign investment protection agreement. Other countries are far ahead of Canada in this regard. Spain, Mexico, Italy, Russia and the United Kingdom have already negotiated agreements. We have heard one message loud and clear from Canadian businesses. It is to get that in place. We have heard the same message from our diplomats. I hope the government will move soon on that.

Finally, we should ensure that Cuba is fully reintegrated into all multilateral organizations: the OAS, the World Bank and the IMF. It was shameful that Cuba was excluded from the Miami summit. I was pleased the Prime Minister spoke out against that.

• (1120)

In closing, I hope we as Canadians take advantage of this key year, the 50th anniversary of diplomatic relations between Canada and Cuba, to send a strong message to our friends in the American administration that it is time to end the illegal and immoral blockade.

We will be hosting the foreign minister in the near future, Roberto Robaino. We will be hosting the president of the National Assembly, Ricardo Alarcon, and hopefully Minister of Education Gomes as well. I hope our Minister for International Trade will be travelling soon to Cuba.

Canada has a historic opportunity here. I urge the House to join in sending a message today to the American administration and to our government that the time has come to lift the blockade, to respect the strong, proud and dignified people of Cuba and to reintegrate them fully into the community of nations.

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, I am pleased to speak to the motion introduced by the hon. member for Burnaby—Kingsway regarding the United States embargo on Cuba and Canadian policy.

His motion reads at the end:

> —and, that Canada restore full bilateral aid and trade with Cuba.

I do not know where the hon. member has been over the last 10 or 20 years. We have full bilateral trade with Cuba that I witnessed personally and will mention later.

I believe Canada and the United States share similar long term goals in Cuba, including the need for peaceful political and economic reform that will allow more liberal economic policies, the development of democratic institutions and full respect for human rights. However Canada has clear reservations about how the United States policy seeks to achieve these goals. I will explain what I mean in a moment.

Let me begin by pointing out that Canada and Cuba have had an official relationship stretching, as the hon. member said, over 50 years. Even at times when we had considerable differences of view with Cuba on Africa, east–west relations, the nature of

political change in Latin America and more recently human rights and good governance, we have maintained our ties and our discourse. I personally have met with the former and present ambassadors of Cuba. We keep very close ties and communications open between our two countries.

There is also a web of unofficial private links that many Canadian organizations, companies and individuals have pursued with their Cuban counterparts over the years. When our review committee was in Saskatchewan I was very pleased to hear Friends of Cuba make a presentation to the foreign affairs review committee.

Some of these unofficial links are concrete and measurable. Cuba is Canada's second largest trading partner after Puerto Rico in the Caribbean–Central American region. Our two–way trade was over $300 million in 1993. It is also a country in which a number of Canadian firms are pursuing investment possibilities.

Cuba is a country that over 120,000 Canadians visit each year. Out of 600,000 tourists 120,000 come from Canada. I was in Cuba recently to open an honorary consular office in Varadero to help Canadians in difficulty. It is a country in which a number of Canadian universities, research institutes and non–governmental organizations have longstanding linkages that benefit both Cubans and Canadians.

We enunciated Canadian objectives in Cuba in June 1994 when the Canadian government announced several policy adjustments. First, we are in Cuba to promote normal Canadian interests including commercial and cultural activities. I underline cultural because when I was in Cuba in the fall well known jazz musician Vic Vogel was teamed with Noche Habanera. It was a performance that Cubans and the Canadians who were there will never forget.

Second, we wish to support positive peaceful change in Cuba, both political and economic. We agree with Cuba on some issues, in particular in the areas of human rights and democratic development. However we will continue to pursue the discussion at appropriate levels.

Third, we wish to encourage Cuba's full, constructive participation in international affairs.

Finally, we wish to support Canadian organizations and individuals who are pursuing development activities in Cuba.

• (1125)

The Canadian government has supported Canadian businesses in their pursuit of opportunities in Cuba. Last fall at Havana International Fair we were pleased to see more Canadian companies than ever. Canadian government involvement was more visible. I witnessed 26 companies from Canada involved in this fair. Fourteen were companies from the province of Quebec. None of them had fleur–de–lis flags; they all had the Canadian flag. They were there as Canadians.

I travelled to Cuba at that time to meet these business representatives. I will never forget the warm reception the Cuban government and the Cuban people gave me. Because of the difficult economic circumstances in Cuba our trade has declined in the past year but Cuba's rank remains as I indicated earlier.

We also wish to encourage and support political developments in Cuba. Cuba has human rights accomplishments notably in the areas of economic and social rights. Cuba's health care and educational systems have been models for other countries. As a former educator I was impressed with the standard of education in that country and the standard of health care.

At the same time we have very real concerns about Cuba's respect for civil and political rights, including freedom of expression, freedom of association and freedom from arbitrary detention. We have also expressed our concern about Cuba's unwillingness to co–operate with the United Nations human rights system, in particular the special rapporteur appointed by the UN commission on human rights. We have welcomed the visit to Cuba by the UN High Commissioner for Human Rights and hope this can lead to greater Cuban co–operation.

Thus Canada will continue to make human rights and democratic development areas of continuing discussion with Cuba in order that Cuban accomplishments in the areas I have mentioned can be mirrored in full respect of political and civil rights.

In the area of development co–operation the government has made available the full range of partnership programs of the Canadian International Development Agency to Canadian NGOs and others in the non–governmental sector for their work in Cuba, including academic institutions and Canadian businesses pursuing developmental objectives.

By the end of the current fiscal year Cuba will have received over $1 million in Canadian development assistance through the various programs we support, again demonstrating no need for such a motion as the one tabled today.

These examples make clear that Canada is pursuing its objectives in Cuba through a policy of engagement and dialogue. I would add that this is very much in the tradition of Canadian policy regarding Cuba. As the government noted last June we are making adjustments in our policy, not turning policy around.

The United States is clearly pursuing its objectives in a different adversarial manner. We have made it clear to the United States and publicly that we do not agree with its approach. For example, during the parliamentary debate on Canada's foreign policy review on March 15, 1994 the Minister

of Foreign Affairs referred to the government's hope to see the end of the American commercial embargo against Cuba.

The Canadian vote last year in support of the United Nations General Assembly resolution critical of the embargo reaffirmed that point. At that time we indicated that in this post–cold war period isolation was not the most effective means of fostering economic and political reform in Cuba.

For Canada the central concern regarding the embargo is its extraterritorial reach. The way in which the United States through its laws and regulations governing the embargo seeks to constrain the freedom of trade of third countries such as Canada is not acceptable. Canada has always taken a vigorous stand against such measures and in 1992 issued a blocking order to ensure that Canadian companies were not subjected to foreign laws on trade with Cuba.

We shall remain watchful of other efforts to bring Canadians under the ambit of U.S. laws and regulations. Accordingly I believe Canada has implemented a policy on Cuba which takes into account Canadian interests and Canadian perspectives and responds to the concerns of the member for Burnaby—Kingsway. I therefore do not believe that the motion is necessary and I do not agree with the tone in which it was cast.

I am very pleased that the Canada–Cuba parliamentary friendship group has been established and a visit has already been made. Hopefully parliamentary exchanges will be speeded up. I know that our Minister of Foreign Affairs intends to meet the Minister of Foreign Affairs of Cuba.

When I was there in October I met with five ministers. They welcome Canadians to Cuba. They welcome Canadian investment. You have to be there, Mr. Speaker, to get a feeling for the love and respect of Cubans for Canadians. I appeal to Canadians, if they want a place to invest, to invest in Cuba.

• (1130)

[*Translation*]

Mr. Philippe Paré (Louis–Hébert, BQ): Mr. Speaker, I am pleased to speak today on behalf of the Bloc Quebecois on Motion No. 281 presented by the member for Burnaby—Kingsway.

The aim of the motion essentially is to induce the Canadian government to denounce the American embargo on Cuba in the strongest terms possible at the United Nations, at the OAS and to the American administration directly. It also supports the re–establishment of full aid and bilateral trade ties with Cuba.

It is one thing to express solidarity with the people of Cuba; but it is another matter altogether to interfere in United States' foreign affairs and to support a dictatorship. The member for Burnaby—Kingsway, in an analysis that was hardly more than an expression of emotion and without even having heard our arguments, condemned the position of the Bloc Quebecois. I would ask him, therefore, to take note of the basis for our position. Perhaps he knocked down a door that was open much more than he thought.

The Bloc Quebecois will vote against the motion. Now allow me to set out the reasons behind our position. There are two reasons for our disagreement.

First, we do not believe we should force the United States to change their foreign policy to meet the objectives of Canadian foreign policy, especially because we, ourselves, are particularly jealous of our own sovereignty.

Second, we do not believe the state of human rights in Cuba would permit the re–establishment of bilateral aid with it.

With respect to our first objection, we do not see how the Canadian government could dictate rules of conduct to the American government. Canada has always refused to interfere in the internal politics and diplomatic conduct of foreign states. We do not see why Canada would change matters now, and believe, furthermore, that it would not be in Canada's interest to do so.

If Canada undertook the action proposed by our NDP colleague, we would have to be consistent and adopt a similar attitude toward a multitude of other countries whose foreign policy objectives do not coincide with our own.

In any case, the Canadian government already has enough to do to look after its own foreign affairs, without taking on the task of advising its partners.

In this regard, we would like to mention that a number of questions are currently awaiting action by the Minister of Foreign Affairs and International Trade, such as the case of Tran Trieu Quan, which I have mentioned on several occasions in the House. The minister should do everything possible to have this Canadian prisoner released from Vietnam rather than attempting in vain to influence American foreign policy.

Moreover, while the American embargo against Cuba is certainly harming that country's economy, Castro's regime is clearly also responsible for the present economic crisis in Cuba. Would Canada not be better advised to attempt to convince Cuban authorities to truly liberalize their economy, rather than attempting to convince American authorities to raise their embargo? Cuba's state run economy carries a very high price and the few liberalization measures implemented recently, such as making the peso convertible, will not be enough to stop the Cuban economy from nose diving.

Cuba needs help in initiating the unavoidable transition to a market economy. The best thing for Canada to do in this regard is to support such reforms through dialogue and trade. Such

action on the part of Canada would be welcome in view of its new foreign policy direction.

Economic reforms must nevertheless be implemented concurrently with political reforms. Dictatorship and the culture of fear must be eliminated in Cuba. Since the Bloc Quebecois strongly opposes the philosophy of trade at any price, human rights in Cuba should be taken into account in shaping our relations with this country. I will return to this later.

• (1135)

That said, we would be against Canada participating in the embargo against Cuba. The Bloc Quebecois expressed its approval when the Canadian government announced its decision to resume aid to this Caribbean state last June.

Let us keep in mind that, following Cuba's involvement in the Angolan conflict in 1978, Canada decided to stop providing aid to, while maintaining diplomatic relations with that country. Now that the cold war is over, the new international order calls for a reorientation of Canada's relations with Cuba. The time has come to end that country's diplomatic and trade isolation. At stake is the very survival of its people, who have been hit extremely hard by Cuba's severe economic crisis. Therefore, it would be quite appropriate to resume our humanitarian aid to that country.

However, this new decision by the Department of Foreign Affairs does not include restoring bilateral aid. The Bloc Quebecois agrees with the government on this. The motion put forward by our colleague from Burnaby—Kingsway calls for restoring bilateral aid. That is another reason why we cannot support it.

The Bloc Quebecois feels that Canada should give priority to partnership–based aid programs and that international co–operation through NGOs is by far the safest and most efficient way to deliver aid to needy countries. This principle should be implemented especially when human rights abuses preclude any sustainable human development effort.

In our dissenting report on the review of Canada's foreign policy, we were very clear on this. The majority of witnesses who appeared before the special standing committee agreed with us.

In this report, we recommended that "Canada discontinue all bilateral aid to states that UN agencies or any other agency recognized by the UN have identified as having committed or been responsible for gross and reliably attested human rights violations".

So far, Cuba has shown no sign of being on the road to democracy and establishing a state based on the rule of law. The Cuban government did however make real progress in some areas, particularly social and economic rights.

But as regards civil and political rights, which are systematically violated by the Cuban regime, there is still serious cause for concern, as evidenced by UN resolutions on the matter as well as constant inquiries about Cuba at the Commission of Human Rights in Geneva.

On this subject, I would like to remind the Canadian government that Cuba is not the only latin–american country to violate human rights and that, in fact, matters are considered to be even worse elsewhere in that area. In January, a slew of NGOs expressed concern to the Canadian government about the situation in Guatemala, Mexico, Columbia and Peru.

At that time, the Canadian government was asked to denounce the human rights violations going on in these countries at the 51st session of the UN Commission of Human Rights in Geneva. It matters more to us, the Bloc Quebecois, that the Canadian government take this kind of action in the case of Cuba rather than condemn the conduct of the U.S. foreign policy.

In a nutshell, it might be a better idea for Canada to provide technical assistance and to do so though NGOs, because Cuba, which is currently facing a major food shortage, really needs humanitarian assistance. Any assistance sent directly to the Cuban government is not likely to serve Canadian official assistance objectives as well as if it were granted to humanitarian and non governmental organizations.

This is basically why the Bloc Quebecois opposes Motion No. 281 and why we will be voting against this motion.

[*English*]

The Acting Speaker (Mr. Kilger): In trying to facilitate debate for and against the motion, I will now recognize the hon. member for Thunder Bay—Atikokan for a maximum of 10 minutes. Of course I will return to a member from the Reform Party, if anyone should choose to speak and I have an indication from the hon. member for Red Deer.

• (1140)

Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.): Mr. Speaker, it is my pleasure to address this House regarding M–281, a motion condemning the U.S. embargo on Cuba proposed by the hon. member for Burnaby—Kingsway. It is a pleasure for me to be in a position to second that motion.

The red book states that "Canadians want their national government to play a more active, independent, internationalist role in this world of change. They do not want Canadian foreign policy to be determined solely through special personal relationships between world leaders. Canadians want a national govern-

ment that takes pride in its tolerance, openness and common sense, and that reflects those values in its foreign policy".

As a member of the Canada–Cuba Interparliamentary Friendship Group, I acknowledge openly my pride in the tolerance Canadians reveal in their attempts to understand the differences between and among the nations of the world. There is also our use of common sense in defying the pressures of special interest groups as we encourage, develop, nurture and enhance our relationship with Cuba and other peaceful societies.

It is interesting to note that shortly after the freedom fighter Fidel Castro overthrew the diabolical regime of Batista, the majority of ambassadorial representatives left the island. Recognizing and doing business with the new Government of Cuba were the governments of Mexico and Canada. As a result these countries were permitted to operate from their original embassies and continue to do so to this very day.

Since the revolution, Canada's relationship with Cuba has continued to strengthen even though the Cuban government had to turn to the U.S.S.R. for substantial support. As American influence in other countries intensified and strengthened, so did its network of trade embargoes.

Due to the diminishing supply of goods, it was necessary for the Cubans to introduce rationing early in the 1960s. This practice continues to this very day.

Although the U.S. trade embargo has always deterred economic development in Cuba, it was not until the removal of the annual $5 billion Soviet aid package five years ago that the embargo began to have a dynamic impact on the lives of the Cuban people. There is a shortage of everything and there is no guarantee that the goods will appear in the near future within this tightly controlled economy. There is a serious shortage of instructional materials for the educational system. Certain medical practices must be curtailed or cancelled due to the absence of medical supplies. As people lose hope, despair overcomes and the crime rate rises.

Priorities are established and strictly adhered to in this fight for survival. As wars fan the spirit of nationalism, so grows the spirit of common good against common evil.

Although it may be classified as a third world country, as a member of the Community of Nations, Cuba has never abdicated its responsibility toward others. A good example of that is Chernobyl. Over 35,000 victims of Chernobyl have been brought to Cuba for treatment in one of the most advanced centres for the treatment of radiation. Over 13,000 of that number were children, and with the children came the mothers and fathers during the treatment period.

Three years ago the American dollar economy was introduced in order to glean as many American dollars as possible for foreign trade. This was achieved chiefly through the introduction and enhancement of the tourist business.

The free market economy is beginning to blossom in Cuba. We heard recently that privatization of land is possible. Companies can purchase the land. There are other options available as well. Investment is increasing. Canadians are investing.

The situation was further aggravated two years ago with the introduction of the Cuban Democracy Act, also known as the Torricelli act by the U.S. Congress. The main thrust of the act was that of extending the embargo to American subsidiaries abroad. This of course applied to Canadian based U.S. multinationals.

• (1145)

Lifting the embargo now would allow Cuban exports to the U.S. and permit foreign investment in Cuba, having a substantial effect on the Cuban economy.

With the election of the new Congress in the States, however, it appears that the hard line of Cuba may continue. This is unfortunate because the present embargo leads the U.S. down a very lonely path.

For three years the UN has voted overwhelmingly to end the embargo, most recently in 1994. The result was a lopsided vote of 101 for and 2 against with 48 abstentions.

Furthermore, Canada, Spain, Britain, Sweden, Germany, Italy and others are now expanding their links with Cuba. We were very fortunate in our visit to Cuba to meet quite a few representatives from these countries. They were business people who were in various stages of negotiating deals with the Cuban government.

Obviously absent from the negotiating tables were American representatives. As well, private groups across the U.S. have been sending more and more humanitarian aid intentionally challenging official American policy.

The cold war has been over now for five years. Cuba's situation in the present global context is radically different than during the 1950s and 1960s. Cuba is broke, crippled but not down. It is of no threat whatsoever to anybody and there exists no danger in lifting the trade ban.

However, there are those who still refuse to dispose of their 1950 style cold war mentality. It is time to stop trying to destroy Fidel Castro by destroying the people of Cuba. The main problem of American policy toward Cuba is that it is made in Miami, not Washington. Cuban expatriates are extremely powerful and are deemed crucial to ensuring whether the state of Florida swings in favour of the government during the presidential elections. As a result, they hold considerable clout in shaping American foreign policy vis–à–vis Cuba.

In any nation or society where within a special interest group we find that the truest form of love is self–love, where greed is the major source of energy, where avarice and gluttony are esteemed to be honourable personal goals, we find that others in

their relationship with these groups usually are identified as victims in that relationship.

I find that the embargo restrictions imposed on Cuba and other societies are the results of such special interest forces. This embargo which is a blatant example of central authorities catering to special interest, provincially minded political forces, is being maintained without regard for the suffering borne by the innocent.

Our government's position with regard to Cuban foreign policy is very clear. Our ambassador to the United Nations has indicated that we need to engage with Cuba, not isolate it, in order to achieve our goals.

Also, our Ministry of Foreign Affairs and our Secretary of State for Latin America have clearly indicated the need to end Cuban isolation. I applaud our government in this regard.

However, as concerned Canadians we must increase our efforts to have this embargo curtailed and promote practices based on sound, realistic, humanitarian values and inter–relationships.

The U.S. has lifted its embargo on Vietnam, so why not Cuba? Sure enough the time is right for a change of attitude. Let us work together to encourage Mr. Clinton to repeal the three–decade old embargo on all non–military items.

The proponents of this embargo must be made aware of the fact and never forget that as man's relationship with his fellow man is positively enhanced, so is man's relationship with his spiritual leader or God.

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, it gives me pleasure to talk to M–281. I have had a long interest in foreign affairs and certainly in bringing Cuba into the modern world and the OAS.

I visited Cuba, travelled around and realized some of the great potential of that country.

• (1150)

This motion asks us to make a strong statement against the U.S. policy on Cuba. I do have problems making a strong statement which directly relates to the foreign policy of another country.

The U.S. is one of our most important trading partners. Even if it were not, how would we like to have another country, let alone our closest neighbour, threatening us and demanding we change our foreign policy? The preservation of one's sovereignty has been and always will be an important part of any country's foreign policy.

Let us examine Cuba. The hon. member wishes to support and commend the actions of Mr. Castro and the country. If we are going to try and change the U.S. point of view it should be done by negotiation, not by threats or innuendo from Canadian members of Parliament. Threatening the U.S. will certainly guarantee a negative response and slam the door on what else might have occurred.

Let us examine a few of the facts regarding Cuba. Why do the Americans feel so strongly threatened by that country? The history, the Kennedy missile crisis, the fact that it is 90 miles away from their boundary, the fact that the mafia used this as a headquarters for gambling, prostitution and laundering money are examples. However, when it comes to present history we must recognize that Cuba is ruled by a dictator. Cuba was not part of the summit of the Americas in Miami in December because it is the only country in the Americas that has not moved toward democracy.

Human rights abuses abound in that country. My experience in that country was there was totally no freedom of expression except that controlled by the government. The people love to talk; they are friendly, great people, but they had to talk out on the water where they were sure that their secret service would not be listening to the conversation.

I was able to visit a jail. I watched the prisoners working in a cane field and going back to their crowded conditions. It is quite different from the country club atmosphere of Canadian prisons.

I attended a three–hour speech given in Varadero by Mr. Castro. I found it very interesting that for the three hours the people were told when to cheer, when to be quiet and exactly what to do. That is not exactly freedom of expression.

People in Cuba are prepared to sacrifice almost anything to get on a board and cross 90 miles of shark infested waters just to get out. If the country had any kind of human rights or any kind of freedom of expression, I doubt that would be the case.

There are severe shortages because Russia stopped its aid because it collapsed. Sugar cane production has decreased dramatically. In 1991, seven million tonnes; in 1994, down to four million tonnes. As I have mentioned, the infrastructure is in decay. The black market is running rampant throughout the country.

I found it very interesting to visit the Tropicana show and see the people finally expressing themselves in terms of music and their culture. They were wearing 40 and 50 year old costumes. They certainly deserved some credit for at least trying to express themselves. How about a Sunday in Cuba when they take out the 1950 cars for a drive? It is just more for show than for any practical means of transportation. What about the little kids who love to play baseball? They find that one way they might have to get off the island. There are ice cream stands on every corner. People told me that milk from Canadian Holstein cows was used to make the ice cream.

The friendship toward Canada is certainly very obvious throughout that country. Anyone travelling around the country can see just how primitive the country really is. The last speaker said it was still in the 1950s. I would put it there or below.

There are flight irregularities. Nothing seems to work properly. The hotels are acceptable, usually without toilet paper, white and sterile in nature.

• (1155)

The management is also very typical of a true communist country. There is really no incentive, no pride of ownership. There is really no drive left in the country because of the socialist way.

The sanctions are not hurting the Cuban people as much as the dictator who holds them captive by military force. The hon. member should make the motion to condemn dictator Castro and demand his removal if he wants to interfere in another country's foreign affairs.

The U.S. and Canada certainly have interests in Cuba. That country could prosper. In terms of Canadian, American and South American tourist business there would be no better place. If that were instituted the jobs and money would return. There would be an incentive to work. The ideal location of that country I have mentioned before.

This sort of motion sends the wrong message. It is the mosquito approach versus the diplomatic approach to solving the really big problem. We can work and hold our own with the Americans. I do not think we have a problem. We have to help other OAS countries to deal with that American elephant.

This motion makes us sound like spoiled kids with a temper tantrum. It is full of holes and would only be accepted by those who believe socialism would ever work any place in the world. We must work to gain respect and equal status with the Americans. We can show leadership. Certainly in the OAS we have a great opportunity to show leadership.

Most of the South American countries are looking to us to show leadership in dealing with the powerful U.S. In NAFTA we have taken a role and will take an increasing role. The WTO will only increase our trade. Hopefully some day Cuba will be part of that.

It would be nice if Cuba would join the other 34 members of the OAS, joining the 21st century in the whole UN reform and the new global community we are going to create. Cuba will be left in the dark ages if it does not change the infrastructure, the government within.

As we have talked about many times, when it comes to trade there are three world areas: the European community; the Americas and Asia–Pacific. Cuba is part of the Americas and we should make it a part. Cuba is a part of our world and therefore we have a responsibility to help it get out of the dark ages of socialism. We do not have sanctions on Cuba now, never will have, and should never have.

Remember, Castro is a dictator. People are held hostage. Socialists have tunnel vision, only seeing one side of the issue. They will never reach a solution by their antagonistic approach. It is like a horse with blinders. One thing the member can take to heart is that sanctions do not really work anyway. They are probably not as effective as he might think.

Finally, to attack a neighbour, our largest trading partner, and strain our relationship for an aging dictator who persecutes his own people for the sake of the impossible socialist utopia makes no sense. I expect the next thing the hon. member might suggest is a special day for Che Guevara.

[*Translation*]

Mr. Mark Assad (Gatineau—La Lièvre, Lib.): Mr. Speaker, first of all, I would like to support the motion put forward by the member for Burnaby—Kingsway regarding Cuba. It is obvious that the Reform member who spoke before me had blinders on when he went to Cuba. It certainly was a change of scenery, but it obviously did not help him change his mind.

I think that the description he gave is exaggerated and that Cubans are not slaves to a dictator. I saw people who are trying to build a future for themselves, who are standing tall instead of being down on their knees as they once were. Cubans have shown a lot of courage. I would like to say that successive governments here in Canada have had the wisdom to stay in contact with Cuba, and to maintain diplomatic and trade relations with that country.

• (1200)

They have done it because Canada is a humanitarian nation that will always stand up for justice. Of course, anybody who has had the opportunity to visit Cuba and to meet with politicians there is well aware of the situation. Those politicians did not try to make us believe that they live in a paradise. They know that they have problems. They know that Cubans are making sacrifices but that they have the motivation to succeed.

The embargo imposed on Cuba by the United States is inhumane and we hope the United States will soon come to its senses and realize that making a whole country suffer is insane. Cubans are trying to protect what they have. They know that they do not live in a paradise, but they stand tall and want to preserve their values.

[*English*]

Mr. Harbance Singh Dhaliwal (Parliamentary Secretary to Minister of Fisheries and Oceans, Lib.): Mr. Speaker, it gives me great pleasure to speak on this motion. First of all, let me congratulate the member for Burnaby—Kingsway for giving

us an opportunity to speak on this subject. I am going to get right to the major points because time is very short.

We had a great opportunity to visit Cuba in January, myself along with a number of other parliamentarians. We spent a week in Cuba and met with all the major leadership there, including the president, Fidel Castro.

Back on December 5, I wrote to President Bill Clinton and asked him to remove the embargo. The embargo that is put on Cuba by the Americans really does not make sense in the 1990s. What are the reasons for the embargo?

The original reason was security. The Americans said it was for security reasons, but is that still relevant today? Is the superpower of the world, the United States of America, afraid of Cuba? Does it have something to fear? I do not think so. There is no security threat to the Americans from Cuba. That is not a reason to have the embargo.

Is the embargo there because of human rights? Are the Americans concerned that there are human rights violations? If that were the case, surely there are other countries that have serious human rights violations and the U.S. has traded with them and continues to trade with them. Therefore that is not the reason the Americans should have an embargo.

There is no logical reason that an embargo should continue on by the Americans against Cuba. The rest of the world has said that as well. Looking at the UN, 102 countries voted to have the embargo removed and the U.S. has not listened.

In conclusion, I hope we send a strong message from this House that this embargo is unjust, is not necessary and should be removed as soon as possible to help the people of Cuba.

The Acting Speaker (Mr. Kilger): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96, the order is dropped from the Order Paper.

GOVERNMENT ORDERS

[*English*]

YOUNG OFFENDERS ACT

Hon. Fernand Robichaud (for the Minister of Justice, Lib.) moved that Bill C–37, an act to amend the Young Offenders Act and the Criminal Code, be read the third time and passed.

Mrs. Sue Barnes (London West, Lib.): Mr. Speaker, I am very pleased to stand in this Chamber today to talk about the youth justice system in Canada. It is a system that is going through change. It is a system that needs Canadian understanding.

I often have felt over the past years that the public perception is far removed from the reality of the legislation and of the youth and their lives in Canada as they come before the courts every day across this land. Youth 12 to 17 years of age are captured in this act. That represents roughly 8 per cent of our 28 million population.

In today's society it must be very difficult to grow up in Canada. It is much different from when I was a child. It is much different from when many members of this House were children. There is an increasing culture of violence in Canada and I believe Canadians have an increasing appetite to change that culture of violence.

• (1205)

Most kids in Canada today are good kids. We have to start with that premise. Most youth who are faced with drugs, alcohol, violence and fears for the future still turn out fine. They still manage. Their parents cope.

It is difficult to be a parent in this society as well. I have three young children of my own. The first became a teenager a couple of months ago and I have already noticed a change. He questions a lot more. He does not accept things the same way he did when he was five.

It is going to be a challenge for society, a challenge for the child, a challenge for our schools, a challenge for our court systems to cope with the difficult times these children go through.

We talk about violence in society. It is there in the fantasy life of our children. It is there in the video games they play, on TV, and in the news they see every day. And it is not only fantasy. They see the atrocities of Rwanda. They see the ongoing wars in Europe and no peaceful times. They have more knowledge of violence at an immature stage of their development. We have to work against that backdrop to send different signals to counteract the violence, to counteract the prevalence of those signals.

There is public concern both by adults and by youth. They are fearful of crime. They are fearful of young offenders. That is in part, I think, because crime sells papers. We read and hear a lot about crime in the media. Seventy per cent of the population believes everything they read in newspapers. I do not believe everything I read in newspapers and I am sure members of this House know there are often a few details added.

That is the other backdrop we have to deal with. We have to address the reality of the fear of violence and put the fear of violence from youth into perspective. With this piece of legislation and with phase two which will come after it, we have to find a way to address the concerns of Canadians.

The issue of young offenders is a hot topic. Everywhere I go people tell me that they have a problem with the Young Offend-

ers Act and that there is a problem with our youth today. We have some problems and we can do much better.

We also have to realize that 86 per cent of violent crime committed in Canada in 1993 was committed by adults, not youth. Only 14 per cent was committed by youth. Of that 14 per cent, a full 50 per cent was the schoolyard punch and shove. A lot of that comes because of the new reporting and new zero tolerance programs in schools.

There is a gradual rise, an increase in violent crime in youth. Depending on how the stats are read and the time periods of those stats, it can be seen as a significant rise, but it is rising and we have to address that.

In this act we will delineate the very necessary harsher system for violent crime. There is a group of incorrigibles in our country who need to be given a very clear, strong message. This act in part deals with that message.

It also delineates the other side of the coin. It also acknowledges that there are some less serious offences that bring youth before the courts. In fact, 60 per cent of them deal with property crime, often for the first time.

When we talk about the violent offences reported in the papers, on average over a decade there have been about 40 murders per year involving charged youth. Last year there were 22. Somewhere between 115,000 and 130,000 young people go through the young offender system every year. A lot of those youth are saved by our system. We have to acknowledge that.

• (1210)

We have a national law, the Young Offenders Act. We also have provincial and territorial situations that interpret the act differently.

We heard testimony in the justice committee which sat from September through to the end of November last year. The committee sat up to four times a week. We heard many different witnesses. We heard from school associations. We heard from parents. We heard from judges and lawyers and people who deal with youth in the probation and correctional facilities.

We heard from young offenders themselves. Some of them had come through the system and had been saved by it; some had been hurt by it. Their testimony was very revealing and informative. We heard from victims groups. The victims groups are now going to be more thoroughly addressed by this legislation. There will be an allowance for victim impact statements to be made.

This was a difficult task for the three–party committee. All the members sat around the table looking for appropriate solutions. I believe that very little time should be spent in saying what is bad and a lot of time has to be spent in asking what we should be doing better. We have to give credit where credit is due.

If I were a child in trouble with the law in Canada today, there is no doubt in my mind that I would wish I were in trouble in Quebec over any other province. Quebec has interpreted its young offenders acts much more progressively than a lot of other areas in this country and with much better success. It has employed more diversionary tactics away from the courtroom. We can learn from that experience. It is essential that we learn from that experience.

When I first started my law career in 1979 the Juvenile Delinquents Act was in force. I spent many days in courtrooms as duty counsel. Seven–year–olds were in those courtrooms. It is more appropriate now that there is this age. Phase two will revisit the question of age because Canadians want us to. We have had one debate in this House and the age question was defeated. Many people think we should lower the age for young offenders. I do not believe that. I think the ages are appropriate.

We have to consider the level of maturity and understanding of youth today. We are dealing with a very malleable and impressionable age in this Young Offenders Act. That has good and bad points. One bad point is that kids are impulsive. They do not think the consequences through. They think they know everything. They think the Young Offenders Act is a joke and that nothing will happen to them.

They think our system has no teeth. In fact the teeth are the same for youth as they are for adults. It is very important that youth understand that. It is very important that people understand that some of the breaks we give to adults in sentencing are not available for youth.

Many members opposite like to say that if you do the crime, do the time. In youth court that is exactly what happens. There is no mandatory supervision or early parole. When a youth gets three years, he or she serves three years for the most part. It is important to understand that time is a different concept for a child in the developmental years. A year for an adult seems to fly by, but a week drags on for a child.

Today in Canada when our youth come before the courts, of those found guilty roughly one–third will end up with a custodial sentence. I believe, along with many of my colleagues, that a custodial sentence, just locking somebody up and putting them away, is not a good short term answer and certainly is not the best long term approach.

• (1215)

It is important where we do lock people up and lock children up in a custodial setting that we provide some treatment while they are there; make sure that we are not just not warehousing, make sure the time, the money and the effort spent are directed to a change in the behaviour that in the long term will be much more effective in changing society, in safeguarding society, protecting citizens of Canada, and in changing the life of the individual who came before the court. We have to ensure that we

take the time that we take from these children and put it to good use. To me that means behaviour modification.

There will be difficulties because a lot of people say that is being too soft, that is not tough enough. It is a lot tougher to sit down at a program and work through your problems and address those problems than it is to sit and watch a TV set or lull around the house or just pass the time away counting the days until you can be free again, than it is to work with the members of your community, with the members of your family, with the professionals put there for your assistance into changing behaviours.

My community of London, Ontario, works very well with the young people diverted to it through either court order or alternate sentences. In particular I would like to commend the St. Leonard's Society of London because it puts programs into effect in the community that integrate the youth who have problems back into the community, paying back the community in ways that are meaningful in situations in which they are not pulled apart but integrated into the community, often without the community realizing it. Therefore the community helps in restoring their sense of self–worth, their sense of discipline, their sense of accountability. I will give one example of a project that works well in my community for youth and has met with success.

In the spring, summer and fall a group of youths who have come into contact with the law go to plots of land in London and grow vegetables. They work those gardens. They hoe. They do the physical labour. They do the planning. They do the nurturing. They are there helping other people around them with their vegetables gardens. At the end of that time period they deliver the harvest back to the food bank.

One of the people who worked in this project last summer reported to the counsellor who was working with them that it was a very good feeling for him because he had to come to that food bank, he and his family, to get food.

A lot of our youth in trouble with the law are not all necessarily poor. Just like crime goes across all sections of society for adults, it also goes across all sections of society for youth. It is important to understand that the socialization process has an affect on youth.

I am going to point out one thing that has bothered me. Maybe it is so obvious that we do not see the forest for the trees in this point. If I could predict what is the best predictor of getting into trouble with the law in this country it has to be being male. Our federal penitentiaries, all of our penitentiaries, are predominantly housing males.

Recently in the youth system it used to be roughly 80 per cent male, 20 per cent female. We are seeing right now a significant increase in female participation coming before our courts. It is significant and disturbing.

In the committee in phase two when we go on the road after we have these amendments through for our overall evaluation looking at what we can do better, looking at the 10–year review of the act, we can also take a look at what happens in our social culture differently between males and females because there are different results.

This is a minor point but it is certainly very obvious when you look at the number of people using our systems. The problems of females with justice are on the rise admittedly but it is still substantially less than what happens to boys. I believe we are born equal, therefore something has to happen socially.

• (1220)

It does not happen socially, magically when one hits age 12. Something had to go wrong long before that and we have the expertise in this country to understand what went wrong. We can predict with very young children that they are getting into trouble, that there is aggressive behaviour that needs attention.

We have the expertise with our psychologists, teachers, preschool teachers, neighbours and parents. They can see it. What in my opinion is criminal is that they see it and nothing is done. The answer often is the criminal justice system should get in there and fix it.

There are problems putting really young kids in the criminal justice system. The problems have to do with understanding, with process. We have a very formalized process for serious offenders in the criminal justice system. It is necessary because there are rights of individuals, there are rights of youth. That was one of the big changes between the old Juvenile Delinquents Act and the Young Offenders Act, that we did give children rights.

I go back to the analogy of a parent. If my child offends the rules of my household, I do not want to say: "I am going to see you next week and we will talk about it for the first time. Then we are going to adjourn this conversation for a month. Then you come back and another month later we will look at it again and then we will do whatever". I want immediacy. I want some fast action. I want to be able to cope better and faster and that is what is necessary in our youth courts.

They have a tremendous job and when we look at the funnel of people going into this very formalized process, we have to make sure that we are funnelling in the right people, the right youth, to the more formalized, stricter process and we safeguard their rights.

With lesser offences, lesser violations of the community, we should try now through this act to funnel more of them back to the community for it is the responsibility of all of us in that community to fix the problem.

They are not our children to be shipped out of our jurisdictions and sent away and forgotten, hopefully not to return. We know in our federal system part of the reason that we want to do a rehabilitation program is that on fixed term sentencing 80 per cent of the population is going to come back and reintegrate into society. Kids for the most part are all going to be reintegrating into society unless there is an unusual case where there is a murder by a youth who gets bumped to adult court and has to stay most of his life in the adult system. If that is the case, that youth is going to be subject to stricter sanctions than are there right now for the adult who commits an offence of murder.

We have to understand that kids are open to change and how difficult changing behaviour actually is. It has to be done from a base of knowledge. There have to be values put into that base of knowledge that include words like respect and accountability. There also have to be other words present like compassion and understanding.

Retribution is part; rehabilitation is a better part. If one wants to fix in the long term one's society, then one had better put some attention to the detail of changing that underpinning, interdisciplinary approach of why things went wrong. It is not that this offence merits this amount of time and we will only talk about paying back for that crime.

As a society we really have to address more and more crime prevention which is now in the preamble. We have to address long term rehabilitation which is also in the preamble. We have heard evidence at committee level that those things are counterproductive.

I submit that they are not counterproductive. They are going to be a challenging base on which our justice system for our youth will change over time.

• (1225)

People will say we are not tough enough. There are going to be many people in this debate today who will tell us about the tough measures in this bill. I will deal briefly with them because it is important that people understand that we did address the concerns of the public. We have increased from five to seven years the time for those offences. That is a significant increase, especially given the fact that judges throughout Canada today are not even going to the maximums on the times allocated to them under the old provisions.

We have to talk about who needs to know when the youth gets in trouble. That also was a concern of the public. It wants to be aware of who is offending and why this is happening in its communities.

Again, we have taken a responsible and reasonable approach in this area. The area of providing information about offenders has been widened, has been increased. The professionals, the school officials, the welfare officials, the people who are dealing with the best interests of that offender will have an ability to get that information.

This is far removed from branding a child by a label and giving broad based public information and shaming some child back into the right course which I have heard advocated in this Chamber. That is not what we are doing. We are going to have judicious use of information. If there is a need for protection of the public there will be a vehicle through the act and through the court system to get a wider distribution of information. That is necessary in some circumstances.

I want to take a minute to make sure that I talk about another provision of the bill. We have had the ability since 1908 to take a child and move him up to the next level, to adult court. In this bill we have moved a further step. We have reversed the onus for some 16 and 17 year old offenders. It is called a presumptive transfer. It is saying that when one commits five very serious offences in this country one is going to be taken very seriously by the system: murder, attempted murder, manslaughter, aggravated sexual assault and one other in the list.

Basically in those instances we are going to make the young offender prove to a judge that he should not be transferred, that the youth system is a better system to deal with him. The presumption will be a reversal. I think that is very harsh but these are very big offences. The reality is that people need to understand that the options will be there.

We in committee heard much testimony on presumptive transfers. It is not a concept of reverse onus that I am very comfortable with. I think it should be used sparingly. Over time it has been used sparingly in our systems. It is expensive. It will create delays. It makes process very time consuming.

It is necessary in some cases but what is important is again the delineation between harsh, strong, compassionate and behaviour modification. We have streamlined very effectively in this bill two different paths that are available. Judges will have to say why they do not choose the path of community if it is not one of those very strong offences.

It is not only the offence, though. It always has to be the individual. If I say that theft under $200 is a summary conviction offence, maybe that is not that serious in the magnitude of the Criminal Code. But if it is the 15th time there has been theft under $200, maybe stronger intervention with different tactics relating to behaviour have to be changed.

• (1230)

This act will still give a judge the ability to look beyond the charge, to look at all the circumstances. Consent to treatment will be changed and the ability to put more programming before an individual will also be there.

I can only reiterate it is an ongoing process that will come with phase two. By the spring the Standing Committee of Justice and Legal Affairs will take the time to go into communities and talk to those groups that have knowledge and interest in youth. We will be looking for better partnerships with the people who are involved, who have strengths in these areas.

At the London Family Court Clinic in my riding they have developed a handbook for schools funded through the department of health which was distributed to all superintendents of school boards across Canada. It dealt with integrating anti–violence messages into the curriculum from the low level grades right up to high school. It has been discovered that integrating these messages into the lesson plan on a daily basis can have a dramatic effect on violent attitudes. Studies are being done all the time and if these situations are not taken care of they will show up in our prisons later on.

During these rounds of testimony we are hearing from people who are very concerned and have different ways of looking at their problems. Specifically I think of some of the First Nation witnesses that came before the committee. They talked about sentencing circles and appropriate ways of dealing with corrections for their people. It is quite different.

They do not want to see the overpopulation of their youth in our prison systems. They have an alternate system they can engage. Perhaps in our sentencing it is time for us to look at some of those alternate systems. When we are talking about sentencing circles for native youth, we are talking about responsibility to the elders, responsibility and reparation to the community. The youth are accountable before their peers and the immediate family group.

In phase two we need to figure out a meaningful way to get parents involved in their children's lives again and to restore the harmony that has been lost in a household. We have to know that justice is more than punishment. Justice for youth has to be meaningful and include reinvolvement, rehabilitation, reintegration into a community that cares for these children and wants them back as tax paying, hard working, responsible adults. We want to make sure we have more saves than losses.

Along with my colleagues I look forward to spending time trying to figure out how we can develop better systems for youth. Bill C–37 goes a long way in addressing the concerns of the public. Violent crime needs to be addressed more strongly but we must leave a door open so that our communities can deal more meaningfully with the youth justice system.

[*Translation*]

Mrs. Pierrette Venne (Saint–Hubert, BQ): Mr. Speaker, the subject before the House today is the third reading of Bill C–37, an act to amend the Young Offenders Act and the Criminal Code.

This bill was tabled by the Minister of Justice on June 2 last year. The Bloc Quebecois was frank and forthright in its criticism. During the first debate, I said that I would not vote for a bill that tries to punish crime by creating criminals. I moved that the House decline to give second reading to Bill C–37, the purpose of which is repressive. Unfortunately, my motion was defeated.

• (1235)

Bill C–37 is part of the Liberal government's policy on youth crime. This strategy has two components. Bill C–37 is the phase one of the proposed reform, while phase two is to be a comprehensive review of the system by the Standing Committee on Justice and Legal Affairs.

On June 6, 1994, the Minister of Justice said that he had asked the Standing Committee on Justice and Legal Affairs to undertake a comprehensive review of the Young Offenders Act and of the youth justice system in Canada in general. He went on to invite Canadians to take part in the discussion on the subject.

The Minister of Justice should have requested the review before tabling this bill. I have already said that the Minister of Justice is a minister of consultation, and in this particular case, he is the minister of indiscriminate consultation. Whether these consultations are held before or after a decision is made is irrelevant, since they will have no effect on his decision.

The minister proposes to change some important aspects of legislation that subsequently will be the subject of a comprehensive review by the Standing Committee on Justice and Legal Affairs. The Minister of Justice has put the cart before the horse. At this rate, the Liberal government's strategy will produce a law lacking any consistency it may have had.

The Minister of Justice was in such a hurry to table a bill in response to increasing pressure from some members of his own caucus and from the Reform Party that he forgot to apply the most elementary principles of logic, according to which changes should not be made until one has a full understanding of the problem. The Minister of Justice panicked. He decided to amend legislation without realizing what was involved.

The Young Offenders Act has been amended before. On May 15, 1992, a major amendment on sentencing came into effect. This amendment increased the maximum sentence in youth court for a young person convicted of murder from three to five years. Today, the Minister of Justice wants to increase sentencing. They would be increased to seven years in the case of second degree murder and to ten years in the case of first degree murder. Furthermore, the minister is going after a very specific group of young offenders—the 16 and 17 year olds.

They will now have to prove, if they are accused of violent crimes, that they should be tried in youth court, otherwise, they will be sent to the court that would normally have jurisdiction—adult court. This reversal of the burden of proof means, in other words, that an adolescent may no longer be considered as such,

depending on the type of crime he has committed. In addition, his criminal liability increases, not as a function of his age, either, but as a function of the crime.

However, the preamble to the Young Offenders Act seems clear, and the one to Bill C–37 is even more so. This section provides that young persons should not in all instances be held accountable in the same manner or suffer the same consequences for their behaviour as adults. How do we explain this nonsense? On the one hand, it is agreed that degree of responsibility should be measured in terms of age, on the other, 16 and 17 year olds are being treated like adults.

Does the minister have some hidden statistics to which only he has access? Do they indicate a disturbing increase in violent crime among 16 and 17 year olds? If the answer is yes, let him show them to us, because he needs a lot of justification for proposing such a bill.

The approach of the Minister of Justice is similar to that of the members of the Reform Party. He supports the member for New Westminster—Burnaby, who stated the following in the House and I quote: "The juvenile justice system in its operation should mirror the adult system as much as possible if it is to be understandable by the community and develop general deterrents".

• (1240)

What is the point of having an act for young offenders when a third of those it targets could be treated as adults? We might just as well propose revoking it. At the rate things go, this could well happen in the very near future.

I shiver at the idea of a single system touted by the Reform Party. If we listen to the member for New Westminster—Burnaby, we should label young offenders in kindergarten. On June 6, he made the following statement: "Violent patterns in children are identifiable at the kindergarten level. By identifying young offenders before they graduate into the teen world of crime set before them, we drastically reduce the number of young adults we are forced to deal with six years down the road. This is social engineering at its best". I wonder where he took his courses on social engineering.

The minister did not bother to check the impact of the 1992 amendments. He did not concern himself with statistics on young people and criminality. He did not take the time to examine how all those involved were applying the Young Offenders Act. If he had, he would have understood that many of the problems stem from how the act is being implemented, and not from the act itself. But no, the minister once again caved in to pressure. The winds of hysteria made the Liberal reed bend.

Bill C–37 is premature. It cannot answer questions that have never been asked. The justice committee proposed some amendments following its study. Most of the 28 amendments it adopted were minor, and regarded style, terminology and concordance of the texts in both official languages. Some of them were more substantial, however. I do not intend to dwell on these points, but they are worth mentioning, if only to define what we are debating today.

To start, the first amendment removes aggravated assault from the list of offences leading to automatic transfer to adult court. In this way, we eliminate the danger that prosecutors lay heavier charges than the evidence available at the time would support. Without the amendment, a young person could almost automatically be transferred to adult court but be found guilty of a lesser crime which would not have merited such a transfer. That was only the lesser of the evils, since automatic transfer in principle remains intact.

The second amendment pertaining to transfers allows for parents to be heard before their child is transferred to adult court. This becomes one more element for the judge to consider. The committee also agreed that in regard to proceedings brought before a judge and jury, the Young Offenders Act is applicable to young persons. Measures of the Young Offenders Act will therefore take precedence over provisions of the Criminal Code in regard to protecting privacy. The amendment emphasizes the young person's right to legal representation when absent from proceedings as a result of poor conduct or when his competence to stand trial is being assessed.

These are significant amendments proposed by the committee. Since these amendments do not in any way alter the repressive nature of this bill or change the transfer procedure to adult court, all the while retaining the severity of sentences, I cannot believe that we are now debating an improved version of what was presented to us last June.

The Liberal government has tried to smooth things over by suggesting a few amendments at the report stage. In committee and in this House, we have stressed a great many times the procedural problems created by Bill C–37.

• (1245)

By increasing sentences for murder, the minister has given no thought to the confusion he will create. Section 11(f) of the Canadian Charter of Rights and Freedoms stipulates, and I quote, "Any person charged with an offence has the right to the benefit of trial by jury where the maximum punishment for the offence is imprisonment for five years or a more severe punishment".

Thus, the justice minister would increase the sentences for first and second degree murder without considering for a moment that a young person normally subject to the Young Offenders Act, which does not allow for trial before a judge and

jury, in fact has the right to a trial before a judge and jury under the Canadian constitution.

There is no provision for bridging the gap between the Young Offenders Act, which governs the appearance in court and the request for bail, and the Criminal Code, which governs crime proceedings in which the accused can choose to appear before a judge alone or before a judge and jury, while a magistrate under the Criminal Code will oversee the preliminary hearing if there is one.

The minister's feeble response to this nonsense and legal vacuum was to propose a hasty amendment at the report stage. This amendment details the Criminal Code provisions that will apply to preliminary hearings, when young people accused of murder are transferred to youth court.

No one at the Department of Justice had a stroke of genius. Although the amendment was intended to improve a lame bill, it creates more problems than it solves. Once the young person chooses or is deemed to have chosen a judge and jury trial, the preliminary hearing will be held before the youth court. Fine, but when does the defendant make the choice? When he appears before the youth court or after the preliminary hearing, when he can still choose to be tried before a judge alone?

What about the young person who is transferred to adult court? Will the preliminary hearing still be held before the youth court and will he then be summoned to appear before the adult court?

Given the undeniable seriousness of the offences listed in the section on transfer to adult court, the young person will be held in custody while awaiting trial. However, the young person is entitled to a bail hearing, which would allow him to be free on bail until legal proceedings are over.

Before which court and when will the bail hearing be held? If the election occurs when the accused appears in court, as is often the case, will the bail hearing be held before a higher court? As we can guess, the young person may well find himself in several jurisdictions even before being summoned to trial. He could appear before the youth court, have his bail hearing before the adult court, return to the youth court for his preliminary hearing, elect a judge and jury trial, and be summoned to appear before a superior court of criminal jurisdiction.

If you have followed me so far, you will understand why this bill and its amendments are nothing but hogwash to create a situation that only judges will be able to untangle, judges who should not have to take on a responsibility that falls to the legislator in the first place.

But when the legislative power does not do its job, then we have no choice but to defer to the judiciary, with the risks this may involve. Instead of the legislator, you now have jurisprudence deciding procedure and substantive law.

Bill C–37 is typical of the kind of bill moved by a government that is reactionary and repressive. This is the coercive approach this government is taking to respond to pressures from a misinformed public and a right wing group that manipulates it.

Bill C–37 cannot be justified either in terms of substance or in terms of the purposes it is claimed to have. Far from providing the appropriate remedy, it promises on the contrary to be a major source of procedural problems. It increases the costs to the provinces and substantially changes the role of rehabilitation centers in Quebec.

• (1250)

We do recognize, on this side of the House, that the rate of juvenile crime is cause for concern. Crime creates fear and jeopardizes the quality of life in our neighbourhoods and our cities. But it seems to us that the way juvenile crime is perceived is quite far removed from the reality around us.

Reformers and some Liberal members are blind to this reality. To justify their repressive stance, they cite extreme cases that reflect in no way present trends.

The inflammatory remarks made by the hon. member for New Westminster—Burnaby on June 6 have certainly made many people jump. He said, and I quote: "We will be Her Majesty's loyal, constructive opposition with advocacy for improvements to Bill C–37 based on what the community wants". And he went on to say: "Reformers are the true opposition —Let the people speak and Reformers will bring their voice to this House".

Not only do Reformers not know how many seats they have in this House, but they crow over the idea of being the only sensible representatives of the electorate.

Instead of caving into pressure from his colleagues and their confederates in the Reform Party, the Minister of Justice should take a closer look at the report by criminologist Julian Roberts, which was commissioned by his own department.

Professor Roberts' study was about the public's perception and knowledge of crime and justice. This criminologist concluded, for instance, that crime is a serious problem in Canadian society that gives rise to a great deal of concern and controversy about the kind of preventive policies we should implement. However, before determining whether the public supports those policies, we must establish what the public really knows about crime and criminal justice.

Professor Roberts wondered about the general public's perception of the Young Offenders Act. His remarks are an eye opener: "Canadians have a very negative opinion of the legisla-

tion but are not very familiar with its provisions and impact. They do not understand the underlying principles or the specific provisions of the legislation and probably see it as another example of clemency being shown by the criminal justice system. The public and certain criminal justice professionals are wrong to think that the crime rate can be reduced by harsher sentencing".

One of the avowed objectives of Bill C–37 is to provide better protection for the public, and the means chosen to achieve this is to extend sentences for young offenders. What the Minister of Justice is proposing is the exact opposite of what all studies on the subject recommend. Those studies were done, in fact, by his own department. It is surprising, to say the least, that the minister should go the route of repressive measures to deal with crime, if only to impress the public. No one in Quebec is impressed.

Dealing with crime is not just a matter of sanctions or legal procedures. Bill C–37 is an exercise in futility. There are no statistics to justify a legislative change of this kind. Since the bill deals more specifically with young persons of 16 or 17 who have committed serious crimes, one would expect the statistics to show a disturbing increase in the crime rate among this population.

Nothing could be further from the truth. A review of the records held by youth courts since the Young Offenders Act came into effect reveals that the percentage of cases heard by the court which involve this population has not varied.

• (1255)

Another example of statistics the Minister of Justice appears to be ignoring is to be found in a document on homicide in Canada put out by the Canadian Centre for Justice Statistics. It reveals that 35 young people between the ages of 12 and 17 were charged with homicide in 1993. This includes first and second degree murder, manslaughter and infanticide. The figure represents a 40 per cent reduction over 1992. Only 6 per cent of the individuals charged with homicide in 1993 were young people as against 9 per cent in 1992.

How can we justify increasing the sentences for first and second degree murder, and in such a draconian fashion, when the trend is decreasing? How can we justify such a repressive approach? Is the aim of the exercise to impress?

Nowhere does the literature indicate any effect of lengthening sentences on deterring or fighting crime. For example, robbery is liable to a sentence of life imprisonment, but statistics indicate that the percentage of robberies remains stable. The minister, however, is increasing the maximum sentence for first degree murder from five to ten years and the maximum sentence for second degree murder from three to seven years. This increase and the new provisions on parole eligibility are creating some rather extraordinary situations.

It should be noted right off that the starting date used to determine the length of detention varies according to whether a young person is tried in adult court or in youth court. Thus the confusion is compounded.

The most ludicrous situation is as follows: a 15–year old found guilty of first degree murder would be eligible for parole after five years in prison if judged in adult court. Yet this same 15–year old, if judged in youth court, would have to serve a six year prison term before being paroled.

In spite of the new measures regarding transfer, a young person in this position would do well to keep quiet, in the hope of being transferred to adult court. Ironically, he could be released sooner that way.

On the subject of transfer, the justice minister has drawn up a list of offences for which the offender may be transferred to adult court. It is odd that the justice minister has not increased sentences for such offences he himself calls serious. This list of offences seems entirely arbitrary to me and entails the real danger that crown prosecutors might be tempted to increase the severity of the charge for the sole purpose of reversing the burden of proof.

As I have already indicated, the Standing Committee on Justice has dropped aggravated assault from this list. The danger remains for other offences, however, such as in cases of aggravated sexual assault.

I would like to stress at this point the inconsistency of the bill as pertains to multiple offences. Such situations are very common, unfortunately. Consider for example a young person charged with both murder and robbery. On the count of murder, the burden of proof in respect of transfer rests with the young person, and on the other charge, with the crown. How does the justice minister envision the application of this procedure? No solution is to be found anywhere in this bill.

Will there be a joint inquiry exclusively in regard to transfers? If so, who would begin producing evidence? The young person in the preceding example might find himself in two separate jurisdictions in respect of the same events. This situation could lead us to make contradictory decisions. Imagine for example if he were acquitted in one jurisdiction and found guilty in the other.

If the minister had bothered to properly analyze the amendments he is proposing, he would have realized that the mere act of reversing the burden of proof coupled with the increase in sentences would turn the whole system upside down.

• (1300)

Bill C–37 ignores the fundamental differences between Quebec and the rest of Canada. Once again, the federal government is trying to impose legislation Canada–wide, without taking into consideration regional differences and systems already in place. The fact that the Minister of Justice does not acknowledge that our system is distinct is not so bad, but he adds insult to injury

when he proposes a bill whose administration falls under provincial jurisdiction and whose reforms will have to be paid for by the provinces.

If the Minister of Justice had done things right and had undertaken a general study of the penal system for young people before amending the law, he would have noticed that Quebec does things differently. He could have improved his reforms by copying Quebec. The Quebec Bar Association presented a thorough paper to the Standing Committee on Justice, which summed up the situation in Quebec.

In an eloquent passage from the paper, the association said: "Young offenders in Quebec can take advantage of an alternative measure which entails referring the file to the youth protection branch. An agreement can be proposed and alternative measures imposed, such as reimbursement of the victim or community work. In fact, close to 47 per cent of all cases take this route. All other cases in Quebec are heard by the youth court. Once the order of the court is issued, the health and social services network carries out the sentence. Quebec's choice of sending these young offenders to institutions reporting to the Ministry of Health and Social Services illustrates its policy in this area, the ultimate goal being medium and long term rehabilitation rather than a repression oriented panacea which would probably only protect society in the short term".

That is how things are done in Quebec. I can already hear Reform members accuse us of being too soft and encouraging juvenile delinquency. They should know that the juvenile delinquency rate in Quebec is the second lowest in all of Canada. If passed, Bill C–37 would disrupt all Quebec institutions now focused on rehabilitation.

Extending sentences for murder would mobilize rehabilitation resources for longer periods. Quebec institutions will focus more on protecting society by putting young offenders away instead of rehabilitating them. On the other hand, youth court trial applications by 16 and 17–year–olds who have committed violent crimes and appeals of decisions to dismiss such applications will result in additional delays, during which the young person will be held temporarily in a rehabilitation centre. This is compounded by the delays caused by holding a trial before judge and jury.

Did the Minister of Justice try to find out if institutional resources are prepared to accommodate these new clients? I remind him that Quebec has chosen to place these young people in the care of the protection and rehabilitation system. Quebec's Youth Protection Act is a model piece of legislation which reflects a forward looking policy and should be copied by the other provinces. This approach was favoured long before the federal Young Offenders Act was implemented. The rehabilitation centre network took over the facilities used as youth correctional centres a long time ago.

Today, the Minister of Justice is bluntly asking Quebec to change its policy. He is asking Quebec to backtrack and convert these rehabilitation centres into ordinary prisons.

• (1305)

Quebec uses a different approach and methods. Convincing results show that we are on the right track and should be held up as an example. Faced with a complex problem, we opted for a multidisciplinary approach and methods that have proven effective. All in all, the Minister of Justice should have had a better look at the Quebec experience before proposing his reform.

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I think you will find consent in the House for the following motion:

> That, notwithstanding the Order made February 16, 1995, during the proceedings in the Chamber on February 23, 1995, two television cameras, one operated by American networks and one operated by Canadian networks, shall be permitted on the floor of the House in locations below the Bar of the House, as directed by the Sergeant–at–Arms.

(Motion agreed to.)

* * *

YOUNG OFFENDERS ACT

The House resumed consideration of the motion that Bill C–37, an act to amend the Young Offenders Act and the Criminal Code, be read the third time and passed.

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, I am pleased to participate in third reading of Bill C–37.

I begin by saying unequivocally that I am opposed to the bill because it does absolutely nothing to address the causes of rising criminal activity among the youth of our country. It does nothing to protect our sons and our daughters from the vicious attacks launched by their peers in school yards and on our streets. It does not expand the Young Offenders Act to include 10 and 11 year olds. It does not mandate the raising of 16 and 17 year olds to adult court, except through the reverse onus proposition that I will address later. Its disclosure clause is insufficient to provide members of the public with the information they need to protect themselves from violent young offenders, including sex offenders that reside within our society.

The young faces in Canada's courts and jails are like masks. They hide society's ugliest scars: poverty, drug and alcohol

addiction, sexual abuse, physical abuse, neglect, learning disabilities, fetal alcohol syndrome, racial and sexual discrimination.

I am sympathetic to the many social adversities that confront the young people of the country. However it is not the role of the justice system to address what lies beneath these veils. It is not within the boundaries of justice to treat the social problems that are the root cause of crime.

I believe this government and past governments have tried to mould the justice system to deal with the causes of crime. They have tried to make the system address factors it was never designed to deal with and they have tried to fool Canadians into believing this can be achieved.

The justice system cannot prevent dysfunctional families. The justice system cannot reverse the ever increasing high level of taxation. It cannot change the fact that 50 cents out of every dollar earned by a mother or father is taken by various levels of government. It cannot stop the unacceptable level of unemployment. The justice system cannot prevent the negative aspects of society that lead to crime.

The areas where these factors must be addressed are the same areas that are responsible for creating them: poverty, a lack of money to meet the cost of living. This exists when a person is unemployed or underemployed. This falls within the human resources development minister's area. Providing Canadians with better employment prospects will help alleviate poverty. We all know how successful the minister has been in this regard with his social policy reforms.

Taxation, the single most debilitating financial factor in the country, falls squarely on the shoulders of the Minister of National Revenue, while economic conditions such as interest rates, the falling dollar and the ballooning deficit that continue to pressure Canada are responsibilities of the Minister of Finance.

• (1310)

The greatest threat to the economic stability of the family is the unrestrained power of governments to tax away the wealth of the individual. This has been going on at an enormous rate over the last 25 years.

The Minister of Health has on her plate responsibility for dealing with the problems of alcoholism and drug abuse which destroy families and greatly affect our youth. Provisions for social services and programs designed to provide counselling for families and youth remain within provincial jurisdiction.

These ministries are responsible for dealing with the negative aspects of society, the root causes of crime. The objective of the justice system is the protection of society. The justice system was designed for one purpose and one purpose only: to protect society against those individuals who move toward a life of crime.

It was designed to protect Canadians from people who lack self–discipline and respect for others. This objective can only be met through deterrence and the application of just penalties. Deterrence means ensuring penalties or the consequences of criminal behaviour are sufficient to thwart criminal activity. When crime occurs the justice system must provide penalties proportional to the offence which will protect innocent individuals within society.

The attempts by the social engineers over the last 20 years to create a dual animal of some sort within the justice system has created a sieve. It has corrupted the justice system to the point where the rights of the criminal supersede the rights of the victim, where there is absurdly light sentencing, out of touch judges, easy parole, deportation orders that are an utter joke, and an absolutely ludicrous belief that murderers should not have to serve their full life sentence.

This two–tier animal fostered by a bleeding heart mentality has led to the demise of the traditional justice system whereby it is no longer protecting the lives and the property of Canadian citizens.

It is very apparent that Bill C–37 does not move to discard this problem. In fact it reinforces its foundation rooted in the parent act, the Young Offenders Act. The first clause of Bill C–37 reads:

> (a) crime prevention is essential to the long–term protection of society and requires addressing the underlying causes of crime by young persons and developing multi–disciplinary approaches to identifying and effectively responding to children and young persons at risk of committing offending behaviour in the future;

Bill C–37, as is the Young Offenders Act, is the product of an attitude that criminals are not bad people, that they are all victims of poverty and a ruthless, competitive society who do not require punishment but the infinite application of some mysterious panacea that has never been found or defined.

The remedies are not defined within Bill C–37 as they are not defined within the confines of other justice bills. Both the causes and the treatment of criminal behaviour are beyond the scope of justice.

A counsellor and youth worker in the youth correctional system of Quebec and Alberta has provided profiles of the young offender who came under his care. He said that the kids came from homes where one or both of their natural parents did not want to have them around. Many came from single parent families, women on welfare or working at low wage jobs who lost control of their children. Many were brought up by grandparents, uncles, aunts or foster parents.

Common to all these histories was the impression that the young inmates were raised in homes that were emotional junk yards with fighting, screaming, drunkenness or drug abuse,

violence and neglect. "Definitely", the author says, "not a warm and fuzzy place".

These kids grew up angry. No matter how tough, no matter how lenient, no matter what their rehabilitative efforts may be, the Young Offenders Act and likewise Bill C–37 cannot change the hostile environment that bred many of our young offenders. That environment can only be changed by powers that fall outside the justice system.

The government can move against the influences in society that attack the moral fibre of our youth, influences such as pornography. We have in Canada peep shows where adults go into a room for a fee and watch naked women dancing and gyrating through a peep hole. We have naked dancing and lap dancing in bars where our daughters are enticed into so–called occupations that contribute to moral decline.

I quote from a letter I received from one of my constituents. "Last night", he states, which was October 15, 1994, "I went to pick up my daughter and turned on CBC radio. Usually the program 'Ideas' is on. The show was about female ejaculation. In the five minutes I listened to it before picking up my daughter, a woman was describing self–stimulation in front of mirrors and how exciting it was to ejaculate in front of the mirrors".

• (1315)

The government can do something about this kind of thing and I ask that it do so. I ask the justice minister and the minister of culture to look into this particular radio broadcast. If these facts are accurate, as I have been assured they are, those responsible should be disciplined and this type of broadcasting should be eliminated from the CBC, which is financed by the taxpayers.

These are areas the government can do something about. Yet members across the way refuse to act in these areas that attack the moral fibre of our society, particularly our youth.

Until the negative aspects of society that breed delinquent behaviour are addressed, this pretence that the Minister of Justice is getting tough on crime will continue. I suggest it is only a pretence. Until the minister moves to eliminate those areas within the Criminal Code that facilitate violence, the pretence will remain.

If the minister is serious about getting tough on crime, why does he not amend the legislation that allows a statutory release of violent offenders such as Mr. Auger, who is the prime suspect in the murder of Melanie Carpenter, after serving only two–thirds of their sentence? Why not move to stop that type of release of violent offenders into society? The members of the parole system advised those in charge that Mr. Auger was still dangerous and would likely offend again.

Why does the minister not act? He could move quickly to plug that loophole. He would certainly have the support of the members within the Reform Party caucus. Why did the Minister of Justice vote against the private member's bill eliminating section 745 of the Criminal Code which gives murderers an opportunity for early parole?

Why is he voting in favour of the criminal and against a safer society? Will the Minister of Justice change his vote on this bill if he is serious about getting tough on crime? I ask all members of the House, what do they believe is a fair and just penalty for the premeditated murder of an innocent person such as Melanie Carpenter?

I can support portions of this bill. The minister has obviously been listening, if only somewhat, to the thousands of Canadians who have demanded toughening of the Young Offenders Act. Although I believe that many Canadians were looking for significant change, as were we in the Reform Party, not what we consider to be a charade.

The amendments contained in Bill C–37 are not significant. They are nothing more than a pretence that the minister is dealing with the problem at hand. I believe that people like Stu Garrioch, the father of a boy who was stabbed in the stomach with a hunting knife by a 15–year–old and the 195,000 people who signed his petition want to see major reform, not mere tinkering and amending.

The same could be said for Donna Cadman, whose 16–year old son was fatally stabbed by another youth on a street corner in Surrey in 1992. She is asking that all violent offenders be tried in adult court. We ask the same.

Yvette Steck, a 27–year old housewife in Fort St. John, B.C., has been pushing her community to call for a registry of sex offenders. She was motivated by the revelation that she had been leaving her seven–year old daughter at a neighbour's home where a convicted child molester was staying. On a petition demanding that molesters lose their right to privacy after victimizing a child, Mrs. Steck collected 6,500 signatures.

An estimated 10,000 people demonstrated on Parliament Hill on September 24, 1994 calling for crime control, not gun control. On September 25, 1994, 3,000 people marched in a rally alongside Bob Niven, whose 31–year old son was beaten to death by two teens, demanding tough reform of the Young Offenders Act.

• (1320)

In November last year 1,500 people converged on the lawns of Parliament Hill. They came out of respect for Anne–Marie Bloskie of Barry's Bay, whose skull was smashed after being sexually assaulted by a 17–year–old. They came out of respect for Melaine Deroches who was beaten to death with a wrench in Kemptville by a 14–year old classmate, for Marwan Harb, the Hull teenager who was stabbed to death during an after school

rumble with three teens, and for Nicholas Battersby who was shot on Elgin Street.

They came to mark the fifth birthday of the late Joshua Baillie, a young accident victim struck dead by a youth out joy riding in a stolen van. They came out to say: "Enough is enough. We want significant change, not just tinkering and mere amendments".

The boy who sexually assaulted and murdered Ann–Marie earned three years in jail. Melaine's killer received a three–year term in youth custody. Young, innocent Joshua's assassin, after pleading guilty to criminal negligence, got one year in custody plus one year probation.

A couple of weeks ago 3,000 people from B.C. mourned the death of Melanie Carpenter and thousands more people are rallying around a campaign organized by the Carpenter family demanding reform of the criminal justice system.

Bill C–37 is a half–hearted attempt to address the concerns of Canadians. This bill, although propelled by the grassroots and not the ivory towers of this nation, does not meet the needs of Canadians. Why has the the minister not been consistent in his adherence to the wishes of Canadians? Where are all the petitions containing thousands of signatures?

Where have all the protests been held calling for the registration of rifles and shotguns? How many people marched on Parliament demanding an outright ban on handguns? I have not seen them.

I have travelled throughout the west and northern Ontario. My colleagues have been in the east. We have witnessed gathering upon gathering of thousands of people. We have in our possession petitions from every part of Canada containing thousands of signatures protesting the minister's decision to compel law–abiding citizens to register their rifles and shotguns. Yet on and forward goes the minister.

The minister is inconsistent in his adherence to the wishes of Canadians. He is also inconsistent in his approach to criminal justice. Although he has moved to increase sentencing in relation to gun offences, he was reluctant to increase sentences for youth criminal offences.

I commend the justice minister for increasing the penalty for murder from five to ten years for young offenders. However, how does he equate 10 years for murder with the same penalty of 10 years for deliberately neglecting to register a rifle or shotgun? Does this make sense? Is this fair and reasonable? What do the inconsistencies in this type of legislation do to further attack the credibility of the present justice system?

During the 1993 election campaign I heard constituents in my riding expressing concerns about the prevalence of crime, particularly about youth crime. Every day I receive letters asking for our help in restoring some sense of sanity to a justice system that seems to have run amok.

I hear about the deficit and the debt and the runaway taxes imposed by previous governments. I hear about the mounting cynicism toward politicians, particularly those at the federal level.

During the campaign people in my riding revealed that they felt betrayed. The imposition of the much hated GST and wasteful spending habits were at the root of their cynicism prior to the 1993 campaign. Today it is the result of a lack of substantive action on the part of the Liberal government.

During the campaign I did not hear one person, nor do I today hear people expressing concern that we do not have enough firearms control. In fact the *Maclean's* Decima poll indicated only 5 per cent of Canadians felt violent crime was due to a lack of sufficient and adequate gun control measures. However, I did hear and continue to hear that people are concerned about their safety. They are worried about the alarming rate of youth crime, particularly violent crime.

Bill C–37 is not the answer for the rising rate of crime among our youth. The answer is a complete review, an overhaul of the Young Offenders Act with a goal of restoring the traditional role of justice to our system.

Reform wants a number of amendments to the Young Offenders Act which in the absence of a complete review will be the only way to satisfy us that the protection of society will prevail. We have requested that the Young Offenders Act cover youth aged 10 to 15 inclusively rather than 12 to 17 which currently is the case.

• (1325)

I am sure members are aware that the criminal justice system cannot hold accountable youth aged 10 and 11 years for any of the crimes they might commit. That is unacceptable. We believe that there are too many 10 and 11 year olds committing crimes for which the police cannot charge nor prosecute them. As for older offenders we believe that youths age 16 and 17 are old enough to assume full responsibility for their crimes and should in all cases and in particular in the case of violent offences be tried as adults.

Under Bill C–37 the justice minister has proposed that 16 and 17 year old youths who are charged with murder, attempted murder, manslaughter, aggravated sexual assault, and aggravated assault be tried in adult court unless an application is granted for the youth's case to be heard in youth court. The onus is now on the young offender to demonstrate why he or she should not be tried in adult court and the court will have the discretion to accept or reject the application.

This amendment creates a hearing within a hearing. It will cause delays and add to the backlog of cases currently before the courts. It will be more costly. We reject the suggestion and the amendment.

The Reform Party had proposed increased sentencing. Therefore I support the provisions contained in Bill C–37 to have sentences for first degree murder increased from five to ten years. We had also recommended that amendments to the Young Offenders Act include permission to publish the names of young offenders who have been convicted of any offence involving the use of violence, who contravene any narcotic control act or food and drug act or who have been convicted previously of any two offences.

Bill C–37 has failed to provide this amendment. It is perhaps the greatest failing of the bill. I firmly believe that the publication of the names of young offenders is essential for the protection of Canada's innocent children.

For example, a school principal may not know that one of his students has been convicted numerous times for drug trafficking. A parent may not know that his child is associating with a offender convicted of a series of rapes. The young man next door who has been entrusted to babysit children could be another Jason Gamache.

Who should we be protecting, the vast majority of Canadians who are law–abiding, hard–working, caring people who will continue to be the building blocks for a productive society or the local high school's drug dealer and unknown rapist in the neighbourhood? I do not think that is a hard question to answer. Undoubtedly it is these offenders who must be made known to society.

We are not talking about the youth who makes a small mistake and comes in contact with the justice system on a single occasion. The best interest of the public may not be served by publishing the details. We propose and firmly believe that in order to make community protection the number one priority, the publishing of violent young offenders' names must not be prevented by law as it is today and continued in Bill C–37.

A successful justice system cannot have as its base the withholding and concealment of the truth. The names of victims and the horrific details of the crimes perpetrated on them are open to public scrutiny but the names of the offenders remain a state secret. The young faces in Canada's courts and jails are the masks that hide society's ugliest scars, scars that will fester if they are not exposed.

The Reform Party on behalf of our many constituents has asked the government to establish a registry of child sex abusers. The government has provided its typical response to a request of this nature. It knows there is a problem. It knows that Canadians want something done about it. It has promised to study the issue and consult the proper authorities. In other words, the government is dragging its feet and in the meantime children will continue to be sexually abused and violently attacked by repeat offenders that the government is guilty of protecting by refusing the public the information it needs to protect our children and our society from these perpetrators.

In an effort to understand the need for a child registry Health Canada, Justice Canada and the Ministry of the Solicitor General commissioned a study. The federal ad hoc interdepartmental working group on information systems on child sex offenders prepared a discussion paper.

What was the conclusion of that study? We need another study and we need further consultation. Also contained in that paper is information which clearly indicates both the need for a child registry and for the publishing of young offenders' names.

• (1330)

The report states: "Statistics compiled on all violent crime committed against children in Canada indicate that young offenders, those aged 12 to 17, account for approximately 23 per cent of all accused offenders. Further information indicates that from 17 to 29 per cent of those accused of child sexual abuse are under the age of 18".

It is important to note that this same age group only represents 7.9 per cent of the Canadian population. The report states that studies have repeatedly indicated that sex offenders have one of the highest rates of recidivism of any criminal group, with an estimated 40 per cent reoffending within five years of release. Furthermore, research examining the effectiveness of offender treatment programs has shown limited results.

Did the Minister of Justice not read the report of the federal ad hoc group? If he had, he would know that sex offenders reoffend. If he could do simple calculations he would know from the stats that between 17 and 29 per cent of sex offences in Canada are committed by young offenders. If 40 per cent of that 17 to 29 per cent reoffend, sadistic acts will continue to be committed against the most innocent and vulnerable members of our society. And the government could have prevented this by releasing their names to society. If they had read their own report and acted immediately on its findings, unspeakable acts on our children could have been thwarted.

Bill C–37 does not undertake to protect our children from the Jason Gaumaches of this world. It does not protect us from the faceless, nameless individuals poised behind the mask of adolescence.

Furthermore, the weight is still balanced in favour of the young offender in this country. The protection of society, the

protection of our children, is still outweighed by the so–called rights of violent and delinquent young Canadians.

All we are asking is that the scales be evened out, that the rights of the victims, the rights of our children be given priority. We ask that the protection of society outweigh the protection of violent young offenders who have no respect for the lives and rights of others.

All we are asking is that the Minister of Justice listen to the people of Canada; listen to the mothers and fathers whose children have been taken from them at such an early age; listen to the grassroots of this country, not those in the ivory tower who are immune to what is really going on at ground level.

I can only support legislation that finds its roots with the people or that can be substantiated by fact, not personal agendas. In closing, I reiterate my opening remarks. I cannot support Bill C–37. I will only support legislation that meets the objective of justice: the protection of society.

The Acting Speaker (Mr. Kilger): We will now move to the next stage of debate. During the next five hours members will be entitled to interventions of 20 minutes subject to 10 minutes of questions or comments.

Mr. Derek Wells (South Shore, Lib.): I rise today to speak in favour of the amendments to the Young Offenders Act put forward by the Minister of Justice and confirmed by the report of the Standing Committee on Justice and Legal Affairs as tabled in this House on December 8.

First of all, I can state that I consider the minister's two–part strategy to reform the youth justice system to be an appropriate response to the problems of youth crime.

As a lawyer and as someone who has worked with youth for many years and also as a parent, I do not support the hard line argument that a weak Young Offenders Act is leading today's youth to commit more and more crimes. I acknowledge that the act has shortcomings but I am satisfied that the amendments in Bill C–37 will begin to close the gaps, increase rehabilitation and improve public safety.

While I support the need for changes in the Young Offenders Act, I consider it imperative that any changes be based on the best available knowledge rather than on public fear and anger or on the widely held myth that harsher punishments are what is needed to bring most youth crimes and violence under control.

I believe that most criminal behaviour stems from sociological factors. I am therefore pleased that phase two, the parliamentary review of the Young Offenders Act, will include a study of the alternatives to legislative responses to youth crime. If we can prevent youth crime by gaining an understanding of the underlying causes of criminal behaviour and tackling these causes, then I think it will be proven that the Young Offenders Act is an effective tool of the justice system.

Rehabilitation should be the ultimate goal of any legislation dealing with youth crime. The act as it now stands is somewhat lacking in this area but I feel that the changes proposed in Bill C–37 will begin to address this deficiency. This legislation is an indication that the rehabilitative needs of young people are being seen in relation to the need to address issues related to public safety. I would like now to comment on the various components of Bill C–37.

• (1335)

The bill proposes two major changes to the act's declaration of principles which I feel set a more appropriate tone for its interpretation in court. This is achieved by acknowledging two truths: one, that crime prevention is essential to the long term protection of society; and two, that there is a relationship between the protection, society and the rehabilitation of offenders.

Bill C–37 proposes an increase in the maximum penalty for first degree and second degree murder to 10 and 7 years respectively. This is an important change. In fact I would support a further increase in these maximums for this most terrible of crimes.

The proposed change to the act which requires 16 and 17 year old youths charged with specified serious crimes involving violence to be tried in adult court is a significant departure from the current system of treating all youth between the ages of 14 and 17 the same way. This will ensure a more appropriate response to each young offender's transgression. For those who have to go through the process of showing the judge why they should be tried in youth court, this amendment will ensure that they are left with a clear understanding of the seriousness of the charge and the consequences of their violent action.

Section 16 of the act specifies the criteria to be considered by the youth court in making these transfer decisions. I would like to quote them because they are important. The criteria include: the alleged offence, the age, the character and criminal record of the young person, the availability of treatment in either system—that is a very important criterion—and any other factors considered relevant by the court.

In making transfer decisions, youth courts must consider both the protection of the public and the rehabilitation of the young person. Where the two objectives are irreconcilable, protection of the public is to be paramount. The young person must then be proceeded against in adult court.

There have been a lot of discussions on this change. People have raised the argument that this will be set aside on a charter argument in time. I guess we will have to wait and see on that. For certain, there is a reverse onus. We acknowledge there is a reverse onus.

Some people may have difficulty with that but I agree with it. Some people suggest there is a presumption of guilt built into this, that the young offender is presumed guilty. I reject that argument. I do not feel there is a presumption of guilt built into this section.

On balance I feel this change is good. It is appropriate. Let us not forget that it deals with only the four most serious crimes: murder, attempted murder, manslaughter and aggravated sexual assault.

The amendment which allows for victim impact statements to be made in court meets the strong demand of victims to be a part of the criminal justice process.

Two other important amendments are the changes to the record provisions of the act and the improvement of information sharing within the youth justice system. The general public and young offenders will both benefit from an increased level of co–operation among the various professionals who work with young people in the community.

The proposal that allows a judge to impose conditional probation at any time it is deemed necessary for the benefit of the youth or for the protection of the public is another amendment which should meet the demands of those concerned with public safety and those in favour of rehabilitation for young offenders. The same can be said for the change that will authorize the courts to request psychological and medical assessment of chronic and serious young offenders.

As a person in favour of measures to improve the chances of rehabilitation, I find the proposal encouraging the consideration of alternatives to custody for less serious crimes an important one. Many experts report that closed custody is the most expensive and least effective way of dealing with less violent forms of delinquency. This change responds to research which shows that non–violent young people do better when they are treated in the community away from more serious and violent young offenders. It also recognizes the widely held belief that custody often undermines rehabilitation.

• (1340)

By allowing for any number of alternatives to be considered, the youth system will be able to identify the most effective way of dealing with each individual offender. As well, it forces young offenders to take an active responsibility for their actions. This change is an important one because ultimately rehabilitation improves public safety.

As I stated earlier, I am satisfied that the proposed changes to the Young Offenders Act are appropriate. Most of the amendments demonstrate an underlying concern with protecting the public while allowing for the necessary conditions to encourage rehabilitation.

The Young Offenders Act is based on the premise that youth should be held responsible for their illegal actions but that young people have special needs as they develop and mature. It is therefore a balance between the need to protect the public and the need to assist young persons in conflict with the law to develop into productive law–abiding adults. The proposed amendments maintain this critical balance.

In addition to the changes I have discussed, I believe that the findings of the widespread review being conducted by the Standing Committee on Justice and Legal Affairs will be important to the development of a co–ordinated long term response to the general problem of crime in Canada.

Legislation is only one part of the solution however. It is becoming increasingly apparent that until we are able to effectively address the issues of poverty, alcoholism, family violence, abuse, racism and illiteracy just to name a few, our legislative efforts at reducing youth crime will continue to be deemed as insufficient.

In his presentation to the Standing Committee on Justice and Legal Affairs, Dr. Alan Leschied, assistant director of the London Family Court Clinic, confirmed this research by citing four major predicators as to why kids commit crime. First, he noted it has something to do with the nature of families and how we in our society function as families. Second, it reflects the impact and nature of friendships and peer influence. Third, it has something to do with how we develop certain attitudes that justify anti–social actions. Fourth, it can also have a lot to do with substance abuse.

Research has proven that there are reasonable links between crime prevention and the proper care of children. Youth who turn to criminal activity often come from an environment where poverty, neglect, substance abuse, physical abuse and unemployment are the norm. It goes without saying that the more positive influences that are present, the better.

While Dr. Leschied expressed his opinion that there is no cure for crime, he noted there are solutions that will reduce the incidents of youth crime.

For instance, a solid relationship with caring adults has been shown to deter children from developing anti–social behaviour. Therefore, where possible as a society we must ensure that youth are raised in a supportive environment. Where this is not possible we must work to ensure that there are adequate support networks to assist youths and their families.

High quality day care and an adequate education can also have a significant impact on behaviour. In addition to providing a solid basis for the future, schools can also play an important role in crime prevention by, among other things, teaching young people about the legal system; encouraging the development of social skills, including responsibility, tolerance and respect for others; teaching methods of conflict resolution; including anti–

racism programs in the curriculum; and early identification of and intervention for those with serious problems.

• (1345)

As well, it may be more appropriate for those children who grow up in homes where violence, drug or alcohol abuse or emotional and mental problems are prevalent to be dealt with by the mental health system rather than the justice system. It is clear to me that in most cases it is only when all the support systems fail that the justice system is forced to respond to youth who have committed a criminal offence.

Therefore we should be focusing our efforts on improving the effectiveness of these services. I am hopeful that the results of phase two will support this argument.

For those who feel that the amendments introduced in Bill C–37 do not go far enough, I would like to quote from an editorial which recently appeared in the *Chronicle Herald*, a local newspaper in Halifax, Nova Scotia: "We should be careful not to equate our wishes for teenagers to have more respect for people and property with shortcomings in the Young Offenders Act or the criminal justice system. Reform of the act is not a panacea for the apparent discipline problem of our youth. Fundamental social and family problems put children in court".

Before concluding, there seems to be some misunderstanding of what the Young Offenders Act is supposed to do and perhaps some misunderstanding of what the amendments propose. In the few remaining minutes I would like to set out again for the record the major elements of the act.

There are amendments to provide that 16 and 17 year olds charged with specified serious crimes involving violence will be proceeded against in adult court unless the youth court orders that they be proceeded against in youth court. There are amendments to increase the sentences in youth court for young persons convicted of murder. There are amendments to increase the period of time that 16 and 17 year olds convicted of murder in adult court must serve before becoming eligible to apply for parole.

There are amendments that provide that young offenders should be accountable to their victims and to the public through non–custodial dispositions where appropriate. There are amendments to provide that the records of young persons convicted of specified serious offences will be retained for longer periods and that records for young persons convicted of minor offences will be retained for shorter periods. There are amendments to provide for greater sharing of information relating to young offenders with persons who require such information for safety reasons.

There is always a fine balance when trying to determine what is best for society and what is best for the individual. Every piece of legislation does not get it right every time. This, like any criminal justice legislation, is evolving. It continues to be reviewed. It has to be reviewed on a regular basis.

I feel that these amendments address some of the very real issues in front of the public today. The general public has been asking for changes and I believe the government has responded. It has responded in a reasonable way and it has listened to people who work with youth.

On a number of occasions I attended the committee hearings. The committee had experts attend to give evidence and it had experts that worked with youth on a regular basis. They were people who understand the system, who understand the youth justice system and who understand what is required for rehabilitation. I believe that to a large extent, although not in every instance, what is incorporated into this legislation reflects what the committee heard from the experts who appeared before it.

• (1350)

The quote I used earlier states my position and the government's position very clearly. We should be careful not to equate our wish for teenagers to have more respect for people and property with shortcomings in the Young Offenders Act or the criminal justice system. I believe that is a truism. I believe it strongly and I fully support the amendments put forth in Bill C–37.

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, I listened to the dissertation by the hon. member for South Shore. As I was listening to the hon. member, I was struck with the fact that there is an inconsistency between the sentencing aspects of young offenders under the provisions of Bill C–37 and the sentencing provisions under Bill C–41, another government bill having to do with sentencing circles for aboriginal Canadians.

The idea under the Young Offenders Act is that the anonymity of the young offender is the watch word of the whole thing. Once the young offender makes a mistake or does not make a mistake but does something very deliberate, creating an offence of significant magnitude against someone else, the whole idea is that we have to somehow make sure we can save this young offender from recidivism, making sure we get them started on the right track.

That is great. It is a good idea. It is motherhood and apple pie. The problem is that it demands almost total anonymity. The young offender's neighbours cannot be informed of the offence. The newspapers cannot be informed of the offence.

At the same time we have sentencing circles requiring positive peer pressure. We would return someone to their community so their sentence would be handed down by their elders. They would have to face members of the community they have injured or disgraced.

We have the whole notion of the principle that motivates human beings. Is it recognition and reputation or shame and disgrace? On one side under Bill C–37 we have complete anonymity. On the other side we have peer pressure, the opposite of anonymity. I wonder if the hon. member for South Shore would comment on this inconsistency and tell the House and Canadians how sentencing circles which would require peer pressure from the community could work for aboriginal Canadians, while non–aborignal Canadians are expected to change their ways in complete anonymity.

Mr. Wells: Mr. Speaker, I do not propose to comment on Bill C–41. I will comment on the provisions of Bill C–37.

What I said earlier applies. We have to find the balance. We are dealing with young offenders. We are dealing with people of a tender age, if we can use that worn expression. I do see some benefit if we are dealing with the four most serious offences that we are now treating differently for 16 and 17 year olds.

I would consider engaging in some discussion on those types of offences at that age of individual, to look at perhaps publishing the names even if the youth court decided they would remain in youth court. There is some discussion that could be had on the point that perhaps peer pressure could be brought to bear. There are some advantages in school principals and others knowing who these people are. I think that is the point being made.

I do not suggest for a minute that some of the points are not good points. I am suggesting that some of the flaws or concerns we had originally with the Young Offenders Act have been addressed in this bill.

There is phase two. We are going to go forward with a further review of the act. Suggestions you have of that nature have some merit. I would not hesitate at all to discuss the pros and cons, recognizing at the end of the day that perhaps everything you want and everything I want we may not get.

• (1355)

The Acting Speaker (Mr. Kilger): I hesitate the interrupt the member for South Shore but I think it is worthy to remind ourselves not to get into a dialogue between two members of the House when we are all participating. All interventions are to be directed through the Chair.

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, there are a couple of comments I would like to make with regard to what the member has said. I would like to get his comments back.

The government seems to be quite pleased with the idea that 16 and 17 year olds are going to be charged in adult court. Then it has thrown in a little extra clause which says unless it can be proven by the defendant that it would be more beneficial for them to be in juvenile court.

To me that means that every 16 and 17 year old who gets charged as an adult will appeal and want to be charged as a youth. I would not blame them for wanting to do that. That means more court time and more nice little jobs for lawyers to take on to help fill their pockets a little more and it does not change anything. Now we are charging the youth and if they feel they ought to be in adult court, then we have court trials to fight for that. I do not see where that has changed anything. Either 16 or 17 years old are in adult court or they are not. I cannot believe the government would come out with that kind of wishy–washy legislation.

I really wonder why so many members from the justice department are constantly concentrating on the social aspect of problems. We have a social department. I want to see good prevention programs. I want to see good rehabilitation. I want to see all the things that these people want to see, but the justice department does not want to address the part called justice. It continually wants to talk about low income families, the poor mistreated child, the victims of society. It does not address the justice part. Victims of this country are so anxiously awaiting to hear what we are going to do in terms of justice. I have not heard that yet.

The Speaker: Before I give the floor to the member for South Shore, I think we are close enough to two o'clock now for Statements by Members. I wonder if the member for South Shore could think about his response and as soon as question period is over I will return to him.

It being 2 p.m., pursuant to Standing Order 30(5), the House will now proceed to Statements by Members, pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[*English*]

STEPHANIE RICKARD

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, I rise in the House today to recognize one of my constituents, Stephanie Rickard of Bracebridge. Stephanie is one of 25 Ontario youth selected to participate in the 1995–96 Canada World Youth Program.

Canada World Youth is a Canadian non–profit organization which operates youth exchanges between Canada and the developing countries of Asia, Africa, Latin America and the Caribbean. Since its creation in 1971 over 42 exchange countries have been involved with a total of over 15,000 young people from Canada and exchange countries participating.

This year's program for Stephanie will run for a seven–month period with Egypt. She will spend the first half of the experience in Nova Scotia with 20 other Canadians and 21 young people from Egypt. From there the group will depart on the second half of their experience to Egypt where they will enjoy a reciprocal experience with their Egyptian host families.

I wish Stephanie and the other World Youth Program participants well as they embark on the experience of a lifetime.

* * *

[*Translation*]

COLLÈGE MILITAIRE ROYAL DE SAINT–JEAN

Mr. Claude Bachand (Saint–Jean, BQ): Mr. Speaker, having committed a blatant injustice by closing down the college in Saint–Jean, the only French–language military college, the Minister of Intergovernmental Affairs is now adding insult to injury.

How can the minister claim to be doing Saint–Jean a favour by giving it the same compensation as Royal Roads Military College in Victoria, that is to say $25 million over five years, when the school population, operating budget and facilities at Saint–Jean were twice that of Royal Roads?

As he crows about a few jobs saved, the minister is overlooking the 175 jobs cut in the last budget. As we say in French, we just saved the furniture in Saint–Jean.

* * *

[*English*]

MEMBERS OF PARLIAMENT PENSIONS

Ms. Margaret Bridgman (Surrey North, Ref.): Mr. Speaker, it has been reported that the Liberal cabinet is ready to reform MP pensions.

While these reported changes do not go as far as Reformers would like, they are a little nudge in the right direction. We in this House must be mindful of the anger that this topic causes with Canadians.

Vancouver *Sun* columnist Barbara Yaffe wrote a column asking people to express their opinions on this issue. The response within 10 days was 12,000 letters from people fed up with politicians raising taxes and cutting services for ordinary Canadians while at the same time leaving their own perks and pensions untouched.

In a time of fiscal restraint and budget cutbacks, Canadians rightfully expect their representatives to show fiscal leadership by tightening their own belts.

I ask all members of this House, regardless of their political stripe, to make and accept the necessary changes to bring MP pension plans in line with those of other Canadians.

[*Translation*]

CONTRACTING OUT

Mr. Eugène Bellemare (Carleton—Gloucester, Lib.): Mr. Speaker, the government operations committee of which I am a vice–chairman has been reviewing contracting out practices for over six months.

[*English*]

The previous government's bias toward wholesale contracting for services within the public service has led to little accountability as to numbers or quality of the shadow public service. The committee continues to be frustrated by the lack of data and costing.

The $5.2 billion for contracting services in 1993 is but a guestimate and could well be twice this amount. It is my belief that the government should restrain this practice so that public service employees not lose their jobs while the shadow public service continues to grow and prosper out of control.

* * *

TRIAL PROCEEDINGS

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, I want to congratulate the daily newspaper in my riding, the St. Catharines *Standard*, on its editorial calling for the media to examine the moral question of how visual evidence should be reported at the Paul Bernardo trial.

The editorial states:

> Does the public have a right to know every single detail of evidence that will be presented during the trial? In principle, in defence of freedom of the press, the answer must be yes. But does the public need to know every gory detail? The answer surely is no, so long as the public is assured that such evidence has been seen and weighed by the judge and the jury of 12 who will represent us all in deciding the case.
>
> While the media may have an obligation to inform the public, there is surely also a duty to respect the dignity of the victims and of the victims' family, neighbours and friends.

Canadians must ensure that the media coverage is handled in an appropriate and respectful way; in short, in a Canadian way.

* * *

SMALL BUSINESS

Mr. Sarkis Assadourian (Don Valley North, Lib.): Mr. Speaker, I would like to recognize and applaud the aggressive approach the city of North York is taking in establishing the North York Small Business Centre.

Canadians realize that the small business sector now accounts for over half of all private sector employment. They understand, as this government does, that the impact of small business on the

Canadian economy is profound. Small business will be relied upon for economic growth and job creation.

This government promised to focus on a jobs and growth agenda. The Minister of Industry's plan calls for partnerships among all Canadians and their institutions—businesses, unions, professional associations, interest groups and governments—to facilitate and create jobs and growth in the private sector.

The North York Small Business Centre realizes that growing new businesses is important, that new business people need help in marketing themselves and simply need some encouragement.

I would like to pay tribute to Mr. Lincoln Allen, the executive director, and all of the centre's staff and wish them success.

* * *

[*Translation*]

COPYRIGHT

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, in an attempt to boost his image before the Christmas holidays, the heritage minister announced with hoopla, on December 22, that the government planned to be reviewing the Copyright Act in the spring.

Last week, the 50 groups participating in the Canadian Conference of the Arts' cultural summit rejected government plans for gradual reform and demanded immediate action.

The minister's announcement does not help make the Copyright Act any less antiquated. The time has come for the government to be more specific about its plans with respect to the content of this bill.

• (1405)

By refusing to subject the bill to a comprehensive review, the heritage minister clearly indicates his unwillingness to take on his industry colleague, as he was supposed to do. It is clear who the real sponsor of this legislation is.

* * *

[*English*]

PATRICK KELLY

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, I rise to seek the justice minister's commitment to act in the case of former RCMP officer Patrick Kelly.

As I noted in this House last year, Mr. Kelly was convicted 11 years ago in the murder of his wife. The prosecution's key witness, Dawn Taber, came forward in 1993 and admitted that she had not witnessed the murder, contrary to her testimony almost ten years ago. Ms. Taber said last Wednesday: "You cannot imagine what this has been like, to realize that what you have said has put a man in prison".

I understand that the minister has a lot on his desk: amendments to the criminal code, constituents up in arms over firearms registration, as well as constituent concerns. However, when the Minister of Justice leaves his office at the end of the day a woman will be sitting at home wanting to clear her conscience and a man will be sitting in jail awaiting a new trial. Before another day passes I challenge the minister to start the process and give Mr. Kelly a chance to state his case fairly in a court of law.

* * *

WOMEN'S INSTITUTES

Mrs. Marlene Cowling (Dauphin—Swan River, Lib.): Mr. Speaker, yesterday, February 19, marked a very important day for rural women in Canada and around the world. It was on that date some 98 years ago that the women's institute was founded in Ontario by Mrs. Adelaide Hoodless, Mr. and Mrs. Erland Lee and 101 members.

Now associated women's institutes around the world provide nine million rural women in 70 countries with opportunities for personal growth, community service and equality.

As former national agriculture chair for the Federated Women's Institutes of Canada I know first hand the important work the women's institute does. Therefore, it gives me great pleasure to pay tribute to our founder, Mrs. Adelaide Hoodless, for her vision and to the countless women who throughout the years have worked tirelessly with the women's institute for the betterment of themselves, their families, their communities, their countries and the world.

* * *

KINSMEN AND KINETTE CLUBS

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe, Lib.): Mr. Speaker, it is my pleasure to stand here today to extend my congratulations to the Kinsmen and Kinette Clubs of Canada on their 75th anniversary.

It is impossible to calculate the many direct and indirect contributions Kinsmen and Kinette members have made to their communities, provinces and Canada since 1920. However, we do know that in the past ten years Kin members have raised more than $220 million for community service work while donating countless hours of their own time to fundraising and service projects. More than 600 communities across the country have benefited from Kin initiatives.

They also have an impressive record of carrying out international development projects throughout the third world which have extended the Kin's commitment to serving the community's greatest need to include the world community.

On the 75th anniversary of Kinsmen and Kinettes they are to be congratulated on a job well done.

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LONDON AND ST. THOMAS REAL ESTATE BOARD

Mrs. Sue Barnes (London West, Lib.): Mr. Speaker, the London and St. Thomas Real Estate Board has adopted an initiative which we should note and applaud.

Each of its 1,450 realtors will be contributing an amount of $5 per member per year until the year 2000. The money will be deposited into a special trust fund to accumulate and accrue interest. The invested money is expected to reach $50,000, at which time it will be given to the federal government to be applied to the national debt.

The board's president, Debbie Collins, believes it is the first private sector association to undertake such an initiative. It has challenged fellow realtors across the country to do the same. It is serious about reducing Canada's deficit and debt and feels it is a very pressing problem.

Individuals and organizations are starting to take this seriously and will work out strategies along with the government to cope with our fiscal reality.

* * *

[*Translation*]

DAIRY INDUSTRY

Mr. Jean Landry (Lotbinière, BQ): Mr. Speaker, at a press conference this morning, the association representing Canada's 26,000 dairy producers made it very plain that they would not accept any concession on the part of the federal government in the present trade dispute between Canada and the United States over agricultural products. Their legal position is firm, and respects the new GATT agreements, as well as Canada's obligations under NAFTA.

The official opposition supports the agricultural producers of Canada and of Quebec and demands that the government immediately cease all discussions with the American government on this issue.

• (1410)

Canada has nothing to negotiate. It must immediately take this dispute to a GATT or NAFTA panel, which will obviously rule in Canada's favour. If it does not do so, this government will sooner or later have to explain why it is trying so hard to trade away the interests of the agricultural producers of Quebec and of Canada.

[*English*]

JUSTICE

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, I want to tell Canadians about a sterling record of incompetence of the justice system which released this offender on parole once and on mandatory release three times beginning in 1963:

Six thefts, one B and E, one weapons possession, one attempted robbery, escaped custody, two auto thefts, one possession of dangerous weapon, one assault, one theft and then another escape, one car theft, one possession of dangerous weapon, parole violation, contributing to juvenile delinquency, theft and escape from custody, B and E, theft over $200, mandatory release and mandatory release violation, common assault, mandatory release and mandatory release violation, assault and theft under $200, indecent assault and failure to appear, forcible confinement and two counts of buggery, mandatory release and release violation.

Two counts of sexual assault finally ended this litany of crime.

I wonder if the parole board would consider mandatory supervision one more time for this habitual criminal. Mr. Gibbs promised to clear up boondoggles such as this in the parole board.

We on this side of the House are watching and wish him well.

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HERITAGE DAY

Mr. Rey D. Pagtakhan (Winnipeg North, Lib.): Mr. Speaker, today on Heritage Day we celebrate our unique Canadian culture, values and institutions, our shared identity.

Whether we were born here or came from across the oceans, whether we came earlier or later, together we have built this great nation.

From time to time the tentacles of disunity have threatened the virtue of national cohesion. Today Canadians are proud to live in a country that is number one in the world in quality of life, for we promote accommodation, not assimilation. We are idealistic, not ruggedly individualistic.

We pursue pleasure to enrich our lives, not simply to gain material wealth. We work to sustain peace, order and good government. We reject violence.

Today let us harness the strength of our unique nationhood. Let us preserve one geography, one national soul, and achieve one national dream for our youth of today and their children of tomorrow.

CROATIA

Mr. Derek Lee (Scarborough—Rouge River, Lib.): Mr. Speaker, the Canada, Croatia and Bosnia–Hercegovina parliamentary group is pleased to be hosting a visit by a parliamentary delegation from the Republic of Croatia.

Members of the delegation include Dr. Zarko Domljan, Vice President of the Croatian House of Representatives; Dr. Franjo Greguric, former Prime Minister and member of the House of Representatives; Mr. Ivica Racan, Leader of the Social Democratic Party and member of the House of Representatives.

Over recent years Canadians have learned a great deal about Croatia. Last spring three colleagues from this House visited Croatia to learn about and assess developments there in the economy, administration and politics.

We are glad that Drs. Domljan and Greguric and Mr. Racan could be with us here this week. It is through these exchanges that legislators learn and share the thoughts and ideas which will guide our democracies to the common global goals of peace, security and prosperity.

* * *

PRESENCE IN THE GALLERY

The Speaker: Colleagues, perhaps now would be the appropriate time to introduce our three parliamentary brothers from Croatia who are today in our gallery.

* * *

TAXATION

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, today the Liberal government is using a smoke screen of words referring to tax increases as making the system fair or having everyone pay their fair share. Canadians denounce this tactic. A classic example from last year's budget is the $100,000 lifetime capital gains exemption.

The Department of Finance and Revenue Canada are currently disadvantaging thousands, if not hundreds of thousands of senior citizens who depend on OAS and guaranteed income supplements.

Revenue Canada has structured the income tax return in such a way as to disadvantage pensions at the bottom end of the economic scale. Low income Canadians are being frozen out of passing their assets to their heirs and successors in a way that middle and upper income pensioners can.

Once again the Liberal government has fallen on its own politically correct sword. While saying it is going to make everyone pay their fair share it has created gross inequities in the income tax system.

ORAL QUESTION PERIOD

• (1415)

[*Translation*]

CANADIAN SECURITY INTELLIGENCE SERVICE

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, Michel Robert, spokesperson for the Security Intelligence Review Committee, the same Michel Robert who denied the existence of a secret file bearing the name of Preston Manning, said that Grant Bristow did nothing that was reprehensible. However, a recent video contradicts this statement and shows that Mr. Bristow committed acts that are unlawful and unacceptable in a democratic society like ours.

My question is directed to the Solicitor General. Will the Solicitor General finally admit that when he was a CSIS informer, Mr. Bristow acted in a way that was reprehensible and unlawful by engaging in a campaign to promote violence, more specifically against the Canadian Jewish Congress?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, SIRC thoroughly investigated all these matters and prepared a comprehensive report that was tabled in this House, and I think the hon. member should draw the attention of SIRC to any remaining concerns he may have in this respect.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, a video exists that was brought to the attention of quite a few people, and it shows that Mr. Bristow was, at the time, making speeches to promote violence and the commission of unlawful acts.

How does the Solicitor General expect the public to trust the Security Intelligence Review Committee when this is the second time the committee's findings have been contradicted? After it was denied that there was a file on Preston Manning, we are now told that Mr. Bristow, and this was shown on the video, committed totally reprehensible acts when he was an informer for CSIS, although we had been given assurances this was not so.

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, my hon. friend is mistaken. The Security Intelligence Review Committee did not say that there was a file about Preston Manning but rather that the file had been mistakenly entitled Preston Manning while it dealt only with the investigation into possible election financing by another government.

The activities of the source in question were gone into thoroughly. Points were raised by the Security Intelligence Review Committee about the nature of the activities in question and how CSIS should update its methods of control of sources as

a result. This has been gone into. I think CSIS has dealt with this matter in a very satisfactory manner.

[*Translation*]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, you must admit it does not take much to satisfy the Solicitor General.

Would the Solicitor General agree that the only way to get to the bottom of these allegations concerning Mr. Bristow, a CSIS agent, and his activities within the racist Heritage Front organization is to set up a genuine commission of inquiry to find out what is going on there, since obviously the Security Intelligence Review Committee is not well informed and its investigation techniques are not up to scratch?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, the SIRC is like a standing royal commission of inquiry with a mandate to supervise the activities of CSIS on an ongoing basis, and that is what it is doing. However, I wonder why the official opposition house leader would give the Heritage Front this kind of credibility. Why?

* * *

MEMBERS OF PARLIAMENT PENSIONS

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, my question is for the Solicitor General.

We are starting to get the picture about the government's intentions with respect to the members' pension plan. The government is supposed to introduce a bill dealing with this issue, this week.

Can the Solicitor General give us the assurance that this will not be a half–baked reform which will introduce one standard for long time members and another for new members?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, the government will keep its promises, based on the red book.

• (1420)

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, can the Solicitor General and government House leader confirm that, once the new system comes into effect, while vested rights are respected, all members, both new and old, will make the same contributions and will accumulate the same benefits?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, the hon. member will have an answer as soon as the bill is introduced.

[*English*]

THE DEFICIT

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, on Friday the Minister of Finance said his deficit target of 3 per cent of GDP was an interim target and that the ultimate target was to eliminate the deficit. A target without specifics is no target at all; it is just political grandstanding and wishful thinking.

My question is for the Secretary of State for International Financial Institutions. In its upcoming budget will the government specify clearly how and when it will reach its ultimate target?

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, I am happy to confirm for the hon. member that we will be presenting a budget showing that we will reach our 3 per cent interim target on our way to the zero deficit target.

Mr. Williams: When?

Mr. Peters: The timing of it is not certain. We will have rolling two–year targets so that we meet those targets. There is no point in going out like members of the previous government and saying that there is going to be a certain deficit in so many years when they have no intention of achieving it.

We are going to meet our targets in rolling two–year periods as the finance minister has said.

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, we all know about the imminent downgrade of Canadian debt by Moody's. Moody's primary concern is not the deficit for this year or next year. It is mid–term factors. It knows full well that the 3 per cent target will leave the government open and an inevitable downturn in the U.S. economy will cause an escalation once again in the debt–GDP ratio. The minister knows that.

Once again, will the minister tell the House, if he has no idea how the government is going to achieve its ultimate target, how they can assure investors that the deficit–GDP ratio will not again spiral out of control once we have a downturn in the U.S. economy?

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, the hon. member has some economics training and knowledge. He should look at the structural pattern.

Some hon. members: Oh, oh.

Mr. Peters: There seems to be some disagreement among my colleagues. He should look at the structural pattern in the deficit. We have made some major changes in the structure of the deficit.

Our structural deficit is much lower than it ever was. It is a matter of the changes we made in the last budget and the changes that will be made in this budget which will make that deficit target achievable in the near term.

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, the minister who also has some economics knowledge will know that a 3 per cent GDP target at the top of a cycle is a very high structural deficit.

On Friday, once again, the Minister of Finance blamed the previous Conservative government for the problem, saying that it had left a huge accumulated debt. The House will remember that the previous Conservative government used to blame the Liberals before them for the large accumulated debt.

When will the government stop with these excuses, stop saying it suddenly discovered compound interest and abandon the go slow, go nowhere policies that caused millions of Canadians to abandon the Conservatives?

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, the millions of Canadians that abandoned the Conservatives gave the hon. member an opportunity to run for Parliament.

Let me tell the hon. member that the changes we made in the last budget were the biggest changes in spending cuts that have been made in any budget in a decade. We are going to continue to move on our path to get the deficit down.

* * *

• (1425)

[*Translation*]

NATIONAL DEFENCE

Mr. Jean–Marc Jacob (Charlesbourg, BQ): Mr. Speaker, my question is for the Minister of National Defence.

The *Ottawa Sun* reports that three generals intervened directly during the military police inquiry into events in Somalia implicating enlisted personnel and officers of the Airborne Regiment in Petawawa.

Can the defence minister confirm that three generals did intervene directly in the military police inquiry to protest the way the military police had conducted its activities in the case of Lieutenant–Colonel Carol Mathieu, claiming that those conducting the inquiry were going too far?

[*English*]

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the hon. member must know that it would be inappropriate for me to comment upon any matter relating to the investigations surrounding the deployment of the Canadian airborne regiment to Somalia in 1992 and 1993.

[*Translation*]

Mr. Jean–Marc Jacob (Charlesbourg, BQ): Mr. Speaker, this is not the first time the minister has replied. I think that is indeed pertinent to what I am asking him. I would like him to answer.

Does the minister acknowledge that this totally inappropriate intervention by three generals on behalf of Lieutenant–Colonel Mathieu discredits and seriously calls into question the military police inquiry following which Lieutenant–Colonel Mathieu was acquitted by a court martial?

[*English*]

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I have repeated the same answer a number of times.

There will be an inquiry headed by a civilian. It will be public. It will answer all questions relating to the deployment to Somalia. The hon. member should wait until that time.

* * *

TAXATION

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, the Canadian people have said very clearly no tax increases.

At noon today the Canadian Taxpayers' Association presented on the Hill 230,000 petitions against taxes. Our party has received over 15 sacks full of mail strongly advising the finance minister not to increase taxes.

My question is for the Minister of National Revenue. Will he take this anti–tax message to the Minister of Finance? More important, will he vote against any net tax increases in the next budget?

Hon. David Anderson (Minister of National Revenue, Lib.): Mr. Speaker, I can assure the hon. member that the Minister of Finance and other members of the government are listening with great care and attention to the public on many issues related to tax, but I can assure him that we will not be dissuaded from proceeding with our deficit reduction plan outlined, as the Secretary of State for Financial Institutions mentioned a moment ago, in last year's budget.

We will achieve those goals regardless of protests that might occur.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, I really expected that answer from the minister. He was quoted in the newspaper about 10 days ago as saying that tax protesters do not make any difference to him or his government anyway.

May I ask the minister: Would he care to join me in the lobby outside following question period where I will be happy to give

him 15 sacks full of messages from ordinary citizens? Will he join me in the lobby outside after?

Hon. David Anderson (Minister of National Revenue, Lib.): Mr. Speaker, the hon. member has referred to a statement made in Vancouver. Just for the record, I would like to read it out to him because he obviously does not understand it. I said: "Obviously we will be listening to the public and obviously I have had many meetings with groups of Canadians on tax matters, but Mr. Martin's approach to the budget will not be altered simply by protests here or there. He has objectives he must meet".

Again I repeat to the hon. member that he cannot blow and suck at the same time. Either he is in favour of reducing the expenditures of the government and meeting our deficit targets or he is not. He cannot keep saying that we must give in to every protest that might come along either on one side or the other.

The Speaker: Our expressions are getting a little more colourful as we go along.

* * *

[*Translation*]

EXCISE TAX ON CIGARETTES

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, my question is for the Solicitor General.

By lowering taxes on cigarettes last year, the federal government wanted to put an end to smuggling. The Solicitor General promised at the time to set up a complete plan to stop smuggling.

• (1430)

Since the government has decided to raise taxes on cigarettes, are we to understand that the Solicitor General's plan for fighting smuggling has actually led to the dismantling of all of the smuggling networks?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, we said a year ago that it would take time to dismantle the smuggling networks. We have had considerable success up to now, and this is why it is now possible to raise taxes on cigarettes to a certain extent.

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, I would like to believe the minister, but I would remind him of one thing as well. He has not yet submitted a report to this House on the results of the fight against smuggling.

What assurance can the Solicitor General give us that an increase in taxes will not help rebuild the cigarette smuggling networks?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, we are acting on the advice of the RCMP and other police forces. According to their advice, we can raise taxes as proposed last week in the ways and means motion, in order to increase government revenues without threatening our plan to fight vigorously against all sorts of smuggling.

* * *

[*English*]

MEMBERS OF PARLIAMENT PENSIONS

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, it is amazing how quickly viewpoints change when a party becomes the government.

In opposition the Liberal rat pack railed against the Mulroney government patronage perks and pork. Now in government the rat pack has become the fat pack. They fought against changes to their lavish gold plated pension plans and they appear to have won. The Liberal government has backed off reforming the pension plans of the fat pack and any other MP with more than 10 years of service.

My question for the President of the Treasury Board is: Why will he not introduce pension reform that cuts equally across the board?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, the government is not backing off anything. We have made it quite clear that we are going to deal with the matter of pension reform. We are going to live up to our obligations that we made in the election campaign.

The Prime Minister said in this House not more than one week ago that it would be done either before the budget or at the time of the budget and it will be done.

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, on Friday the President of the Treasury Board said the government will acquit itself of its obligation with respect to MPs pensions mighty soon. The only obligations in the red book deal with double dipping and the age of eligibility.

Will the President of the Treasury Board confirm today that real cuts will be made to bring all MPs pensions into line with the private sector and not just the obligatory scrapes mentioned in the red book?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, I am glad that my colleague has finally read the red book and understands the commitments of the government.

This whole matter though will be dealt with mighty soon.

[*Translation*]

GUN CONTROL

Mrs. Pierrette Venne (Saint–Hubert, BQ): Mr. Speaker, for the bill on gun control which was tabled by the Minister of Justice last week to have its desired effect, it will have to be coupled with more aggressive measures to fight gun smuggling from the United States.

Will the Minister of Justice tell us whether he personally asked the Solicitor General and the revenue minister to have police and customs officers escalate the war on gun smuggling?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, over the course of the last 10 months I have worked with the Minister of National Revenue and the Solicitor General specifically on that issue.

We have developed not only the legislative proposals that are now embodied in Bill C–68 but we have also forced administrative and policy changes in the way that border controls are enforced. We expect that in the coming months and years as a result of these changes we will have even more effective border control than at present.

[*Translation*]

Mrs. Pierrette Venne (Saint–Hubert, BQ): Mr. Speaker, will the Minister of Justice guarantee that the measures proposed in his bill will be applied Canada–wide, without exception, including on aboriginal territory?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Of course I can, Mr. Speaker. As the Prime Minister took pains to emphasize this time last year in another context, there is but one law in Canada and it is applied equally throughout.

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GUN CONTROL

Mrs. Bonnie Hickey (St. John's East, Lib.): Mr. Speaker, at a gun control meeting in St. John's East my constituents raised concerns with the Minister of Justice about BB and pellet guns. Children have been seriously injured playing with these guns. The city of St. John's has banned them and the Newfoundland and Labrador Federation of Municipalities has unanimously asked that BB guns and air guns be classified as firearms.

• (1435)

How will the minister address the concerns of my constituents regarding the danger of BB and air guns?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I well remember the meeting in St. John's to which the hon. member referred. I met on that occasion with two mothers whose young children had each lost an eye as a result of the misuse of BB guns or air guns.

As a result of that meeting I examined the manner in which air guns or BB guns are regulated in this country. I discovered that at present some of them are classified as firearms and therefore regulated as other guns are, the distinction being the muzzle velocity of the projectile. If the muzzle velocity is above a certain threshold, then they are regulated in terms of acquisition or possession as others guns are. The question is whether that threshold should be lowered to capture the commonly available BB gun and perhaps save the eyesight of children.

A recent research study at the University of Ottawa demonstrated that BB guns are the leading cause of eye loss among children in Canada which has to be troubling to us all.

May I tell the hon. member in conclusion that I am keenly aware of the problem. We have it under consideration and I will communicate further with the House when we have completed our analysis.

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FORMER YUGOSLAVIA

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, our peacekeepers in Croatia are soon likely to face the most difficult tactical situation given a soldier: a withdrawal under fire. Yet two weeks ago it was announced that the Canadian forces surgical team is to be withdrawn.

Now national defence headquarters has reportedly again refused our peacekeepers' request for an armoured engineering vehicle to clear mines and to facilitate their withdrawal, should it become necessary.

Will the Minister of National Defence tell this House why our troops, who have been facing mines and gunfire for the last three years and are soon likely to face even greater danger, are being denied facilities and equipment which we have but refused to provide?

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, there are a number of inaccuracies in the article which appeared in the *Globe and Mail* on Saturday.

The armoured engineer vehicle is not designed as a mine clearance vehicle. The Slovakian group, as part of UNPROFOR, is equipped to take this task on, not just for Canadians but for all other personnel. Should there be a non–permissive withdrawal from Croatia and Bosnia, this will be carried out by NATO. Obviously all of the necessary equipment will be provided by the NATO allies.

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, if there is one Canadian casualty resulting from this lack of support, I hope the minister will remember that.

Our forces in the former Yugoslavia have made do with outdated, unreliable equipment and have done well despite this handicap. Now, despite the situation becoming much more serious, headquarters' response is negative.

What will the Minister of National Defence do to provide our Canadian peacekeepers with all possible support to help them survive?

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, on the specifics I answered the question, but I do resent very much the threat implied in the hon. member's answer. It is reprehensible. Mr. Speaker, I am surprised that you did not rule him out of order. To make that kind of statement in the House of Commons, he should be ashamed of himself.

The Speaker: I am sure, my colleagues, that this very serious matter is the cause of a great deal of emotion on both sides of the House. Again, I would appeal to all of my colleagues to be very judicious both in the questions and in the answers.

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[*Translation*]

PRIVATE DENTAL CARE PLANS

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

The Canadian Dental Association has recently launched a new campaign to nip in the bud any thoughts the federal government had about taxing private dental care plans in Canada. The minister has said many times over the past year that her mission is to make sure that the health care system in Canada remains free.

Does the minister realize that taxing private dental care plans will directly reduce accessibility to health care?

[*English*]

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, let me remind the hon. member that the Canada Health Act sets the criteria regarding medically necessary services. While we know that we have some very difficult fiscal decisions to make, we must make those decisions to ensure that we can offer programs with fairness and compassion, programs which Canadians expect, and frankly, which Canadians deserve.

• (1440)

[*Translation*]

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, will the minister, on the eve of the upcoming federal budget, guarantee that she will keep our health system free and that she will energetically oppose the taxation of private dental care plans?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, as Minister of Health, I have said that the Canada Health Act is unquestionably here to stay, and the Prime Minister of Canada has said the same. We will preserve the fundamental principles of the health care system. The promise was made in the red book, which forms the basis of our party's mandate. We will continue to do exactly what we said we would do.

* * *

[*English*]

IMMIGRATION

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, last May immigration officials granted refugee status to a 25 year old Polish man. The man claimed he was discriminated against because he had HIV and the Immigration and Refugee Board granted him refugee status.

Given that this individual will pose a drain on Canada's health care system and a potential threat to the health of Canadians and that this individual was allowed into the country in direct contravention of section 19 of the Immigration Act, will the Minister of Citizenship and Immigration reverse this decision by the IRB and deport this person immediately?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I think the member is confusing the refugee stream and the immigration stream.

The issue here is not a claim based on whether an individual is or is not HIV positive. The claim made was on the basis of being a member of a social group, in this case sexual orientation, and that there was a well founded fear of persecution.

Three years ago the Supreme Court of Canada ruled that sexual orientation constitutes a social group. The Geneva convention allows for claims to be made based on social group persecution. There have only been two cases in the system. One was refused. There is this case raised by the hon. member which was initially refused by the IRB and appealed to the Federal Court. The Federal Court of Canada ordered the IRB to rehear it.

It is not a question of being HIV positive. Each individual case must lay before the board a well–founded fear in terms of a social group persecution.

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, after being granted refugee status, this HIV infected individual claimed on national radio that he came to Canada specifically to take advantage of our overburdened health care system. Meanwhile, thousands of Canadians are waiting in line to use the system they have been paying into for years.

As much as the IRB has accepted another outlandish refugee claim setting a precedent that can be abused by bogus refugees around the world, will the minister now take the advice of the Reform Party? Will he disband the IRB and put refugee determination in the hands of competent immigration officials using established admission guidelines?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, this case does not set a precedent. That is why the hon. member does not understand how the Immigration and Refugee Board operates. It operates independently of the government. Also, cases are considered on their own individual merits.

I mentioned to the member that there have only been two cases in the system. One was refused because it could not demonstrate a well founded fear of being persecuted.

Also, the immigration stream does have the ability to screen for health care costs as well as danger to the public. In most cases where people are found to be HIV positive, they are denied entry into Canada.

* * *

ENDANGERED SPECIES

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Mr. Speaker, my question is for the Minister of the Environment.

Around the world, 48,000 wildlife species and subspecies are in danger of extinction. The illegal trade in endangered wildlife species jeopardizes global biodiversity.

• (1445)

Could the minister tell the House what the government is doing both in Canada and also internationally to curb the illegal trade in endangered wildlife species?

Mr. Clifford Lincoln (Parliamentary Secretary to Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, Canada is approaching the Convention in International Trade in Endangered Species in three ways.

First, in training, we are conducting workshops presently in western Canada addressed to the RCMP, addressed to the customs officers, Agriculture Canada and also provincial natural resource officers to let them know about the convention, what it covers, what Canada's commitments are, identifying the endangered species which, as my colleague stated, are 48,000 in number.

Second, we are conducting an information campaign geared to travellers to advise them about endangered species so that they will make proper purchases. If there is no market for endangered species, then there is no business for poachers and traffickers in endangered species.

Finally, in the spring—

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[*Translation*]

FISHERIES

Mr. Bernard St–Laurent (Manicouagan, BQ): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

In 1994, the Minister of Fisheries and Oceans committed $1.9 billion to the Atlantic groundfish strategy. The minister claimed at the time that this amount would be sufficient to restructure the Atlantic fishing industry within five years. Today, with 80 per cent more benefits than forecast, we see that the strategy did not achieve its goals and that the funds may be depleted by 1996.

Does the minister admit that his strategy is a failure and that the funds committed will be depleted well before the deadline?

[*English*]

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, the member is making a case on behalf of the Bloc Quebecois that the fishermen of Quebec be completely cut off any income assistance from the national government.

I know that there is a profound attempt by the Bloc Quebecois to sever Canadians living in Quebec from the benefits of Canada but this surely is a ridiculous proposition.

[*Translation*]

Mr. Bernard St–Laurent (Manicouagan, BQ): Mr. Speaker, does the minister realize that the way things are going, the funds aimed at restructuring the industry will be completely depleted when the time comes to shift responsibilities to the provinces, as they are requesting?

[*English*]

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, the groundfish assistance program available for the fishermen of Atlantic Canada is under some financial stress because more fishermen and more plant workers than originally anticipated have had to request assistance.

One of the reasons that there are more fishermen and more plant workers is that from an ecological point of view, more fisheries have had to be closed as recently as a few months ago.

The red fishery, which is important to the Magdalen Islands had to be closed, necessitating more assistance being paid out to additional plant workers and fishermen.

We are looking for ways of streamlining the program. For example we could reduce training programs for older workers who really will not make use of them in order to get the program back within budget. It is a program that is supported by the

fishermen and by the plant workers of Atlantic Canada, including those in Quebec.

Frankly the Bloc Quebecois should be celebrating this virtue of federation, that those who have share with those who do not in times of need. That is the strength of the unity of Canada.

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CRTC

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, my question is for the Minister for International Trade.

The CRTC has kicked the American Country Music Television network off Canadian airwaves. Canadian country artists used to be seen in over 32 million homes around the world but in retaliation for this decision, CMT now refuses to play Canadian artists' videos, reducing air play to two million homes.

Promoting Canadian culture by closing our borders is like stoking a fire with a wet blanket. Canadian artists themselves denounce this decision.

• (1450)

Instead of smothering Canadian culture, how does the minister expect to promote Canadian cultural exports and allow for more consumer choice?

Hon. Roy MacLaren (Minister for International Trade, Lib.): Mr. Speaker, the government's policy is to promote in every way it can the growth and expansion of Canadian culture.

One part of that policy is to ensure that while meeting our international trade obligations, we are able to give Canadians a choice of programs on television and radio, a spectrum of choice that includes not only imported material but Canadian produced goods as well.

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, despite those fine words the government is moving toward a policy of protectionism in the cultural industry.

Cultural industries will be at the top of the American president's agenda when he visits this week. By closing our borders, the government has started a potential trade war with the United States. What form this retaliation will take will be announced by Mickey Kantor on March 6.

When the government meets with Mr. Clinton, will it announce what areas of Canadian trade it is willing to sacrifice to keep up this charade of cultural preservation?

Hon. Roy MacLaren (Minister for International Trade, Lib.): Mr. Speaker, we are unwilling to sacrifice any area of Canadian trade. The member raises a question that will indeed be touched upon in my meetings with Mr. Kantor. On that occasion we shall continue to assure him, as we have done in the past, that the Canadian measures to promote Canadian culture are entirely consistent with our international trade obligations.

* * *

INCOME TAX

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, my question is for the Minister of National Revenue.

Canadians want government to take the tough decisions to meet our deficit targets. Many wonder if the deficit could also be reduced simply by collecting the taxes that are now outstanding.

What is the minister doing to ensure the government is collecting the taxes it is owed?

Hon. David Anderson (Minister of National Revenue, Lib.): Mr. Speaker, I thank the hon. member for his question which allows me to state that we collect the vast majority of accounts receivable with interest.

Of course there will always be some area of bad debts. Last year it was less than one–half of 1 per cent of gross revenue. This year, we are budgeting slightly more than that, but still well below 1 per cent.

It is very important to note that we collect the accounts receivable. They are taken into account by the Minister of Finance in his budgetary projections. There is no pot of money out there not being collected which could be used to reduce the deficit. All the moneys in accounts receivable have been taken into account.

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THE ECONOMY

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, my question is for the Secretary of State for International Financial Institutions.

Regarding the rather lopsided debate in identifying the actual cause of the accumulated debt, would the minister confirm that today we are spending about the same proportion of our GDP on social programs that we were spending throughout the mid–1970s?

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, I am sure the hon. member has checked the numbers or he would not have asked the question.

I do not have the numbers with me now so I am not able to confirm them. I am sure the hon. member will, in his supplementary question, give me the right answer.

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, I will endeavour to do that. This is now turning into answer period. The minister would know if he had done his homework that the spending—

Some hon. members: Oh, oh.

The Speaker: I am sure the hon. member has a question.

Mr. Riis: Mr. Speaker, I had a question. I will put it this way.

While the minister knows that spending on social programs is about the same proportion today as it was in the seventies, would he confirm that the reason our accumulated debt has grown since 1984 has been almost exclusively the result of the high interest rate policy of the previous government, continued by this government apparently, and the myriad of tax loopholes particularly for corporations and the wealthy?

• (1455)

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, the hon. member will recall that I spoke out in the early 1990s about the high levels of interest rates and about the policies of the previous government. This government has changed those policies and we are moving not only to cure our deficit but to improve our social programs as well.

* * *

GUN CONTROL

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, in his questions and answers booklet on the Canadian firearms registration system, the Minister of Justice tells Canadians that his new registration system will help eliminate smuggling and stolen firearms as sources of supply.

Just last Thursday the minister stated publicly that the new gun control legislation will do little to prevent smuggling. Could the minister please explain which statement is true?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the proposals we put before the house will help a great deal in reducing the smuggling of firearms. We have been through this before. *Hansard* is replete with detailed responses to questions that are asked daily in the House by the same members.

Let me come to the specific question the member puts. I believe, and the government believes, that its proposals will help enormously. Last week it was put to me by a provincial counterpart, the Solicitor General of Ontario, that there is much more we can do. I agreed with him. Indeed there is much more we can do and should do. With the collaboration of the provincial solicitors general, I believe we can and will do more.

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, this minister has had 16 months to deal with gun smuggling. He has done nothing but table a plan to register the guns of law-abiding Canadians. Registration has not proven effective for crime deterrence in any other democracy in the world.

Why does the minister not take the $85 million he has committed to gun registration and instead target it toward directly defending our borders against gun smuggling?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, in large part, the registration system we propose is targeted at the borders to reduce smuggling, and we are very confident that it will have that result.

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[*Translation*]

AGRICULTURAL SUBSIDIES

Mr. Jean-Guy Chrétien (Frontenac, BQ): Mr. Speaker, my question is for the Minister of Agriculture and Agri-Food.

Just days away from budget day, the federal minister of agriculture talks about reviewing all agricultural subsidies, and those for grain transportation in particular. He plans to replace existing rail carrier subsidies with direct assistance to Western grain producers.

Will the agriculture minister confirm his government's intention to stop paying rail carriers subsidies and start subsidizing Western grain producers directly instead? And if so, can he undertake before this House to—

The Speaker: Perhaps the hon. member could ask one question and maybe another short one, but three is a bit much.

[*English*]

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the subject of western grain transportation reform has been debated for probably the better part of the last 25 years.

We intend to proceed with various aspects of that reform. Indeed some measures are already before the House in the form of proposed legislation.

Over the course of the last number of months both the Minister of Transport and I have been engaged in intensive discussions with farmers, farm organizations and other stakeholders in the industry involving all aspects of Canadian grain handling and transportation from one end of the country to the other. At the time of the budget or shortly thereafter there should be an opportunity to describe the details.

[*Translation*]

Mr. Jean-Guy Chrétien (Frontenac, BQ): Mr. Speaker, can the agriculture minister give us at this time the assurance that all farm producers in Canada will be treated equally and that the measures he will be putting forth will not allow Western producers to use federal subsidies to compete with Eastern producers?

• (1500)

[*English*]

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.): Mr. Speaker, equity, fairness and balance are established as hallmarks of this government and will continue to be.

ROUTINE PROCEEDINGS

[*Translation*]

ORDER IN COUNCIL APPOINTMENTS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am pleased to table today, in both official languages, a number of order in council appointments made recently by the government.

Pursuant to Standing Order 110((1), these are deemed referred to the appropriate standing committees, a list of which is attached.

* * *

[*English*]

CRIMINAL CODE

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.) moved for leave to introduce Bill C–304, an act to amend the Criminal Code (prostitution).

He said: Mr. Speaker, I want to thank my hon. colleague from Crowfoot for seconding my introduction of first reading of the bill. It is my pleasure to introduce the bill to this House.

The bill will increase the penalty for persons who engage in the public act to buy or sell sexual services from a summary conviction to an indictable offence. It would make the penalty of section 213 of the Criminal Code, which is public communication to obtain sexual services, parallel to that of section 212 just before it in the Criminal Code, which is procuring.

A summary conviction has a maximum sentence of only six months. While this may be appropriate for some crimes in Canada, it is most certainly not appropriate for the acts of the public prostitution trade. With the increase to an indictable offence it will allow the courts to give a sentence for the maximum penalty of up to ten years and provide the range of flexibility that is needed. By such designation it changes the category of seriousness and affects the allocation of police resources. It places more flexible tools into the hands of the police, who instead of writing a curb–side ticket may now arrest, if necessary.

Canadians are frustrated with the street trade of prostitution. They are upset that along with this comes widespread criminal drug use. I note that many Canadians want stiffer penalties for this behaviour and that is exactly what my bill attends to do.

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

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CRIMINAL CODE

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.) moved for leave to introduce Bill C–305, an act to amend the Criminal Code (voluntary intoxication).

He said: Mr. Speaker, I have the pleasure to introduce a second bill. Again my hon. colleague from Crowfoot is seconding the introduction of the first reading of this bill.

This bill will create a separate punishment for those who willingly become intoxicated through alcohol and drugs and who during this self–induced intoxication commit a prohibited act.

The bill clearly defines what is meant by a prohibited act and I believe that all Canadians would concur with this.

The recent Supreme Court ruling is what began the outcry. It is interesting to note that it was a suggestion of the Supreme Court that we as members of Parliament make the necessary changes to an apparent flaw in the system.

In his minority report Mr. Justice John Sopinka stated:

> It has been suggested that Parliament should create a new offence of dangerous intoxication. Such changes are for Parliament and not for this Court to make.

I therefore encourage all parliamentarians in this House to support legislation that would put an end to further inconsistencies within the Canadian Criminal Code.

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

* * *

• (1505)

PETITIONS

JUSTICE

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, I rise before this House on day 11 to present petition No. 11. These petitions are being presented on behalf of constituents who wish to halt the early release from prison of Robert Paul Thompson. April 11, 1995 is the date set for the parole hearing.

The petitioners I represent are concerned about making our streets safer for our citizens. They are opposed to the current practice of early release of violent offenders prior to serving the full extent of their sentences.

The petitioners pray that our streets will be made safer for law–abiding citizens and the families of the victims of convicted murders.

YOUNG OFFENDERS ACT

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, pursuant to Standing Order 36, it is my duty and honour to rise in the House to present a petition, duly certified by the clerk of petitions, on behalf of over 3,000 constituents of Saanich—Gulf Islands and surrounding area.

The petitioners humbly pray and call upon Parliament to enact legislation to revise the Young Offenders Act as follows: when a youth 14 years of age and above commits any crime of violence, including but not limited to murder, manslaughter, aggravated and sexual assault and armed robbery, he or she will automatically be tried in adult court with criminal records and adult sentences, taking into consideration the maturity of the offender; and public identification of a convicted young dangerous offender.

GUN CONTROL

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, it my pleasure to introduce two different petitions into the House today.

The first one draws to the attention of the House that although the proposed anti–firearms legislation, as these people call it, will do virtually nothing to reduce violent crime it will, however, severely restrict the rights and freedoms of millions of innocent firearm owners contrary to the very principles of justice upon which this country was founded.

They ask and pray that the government refuse the anti–firearm proposals of the Minister of Justice and insist that he bring forth legislation to convict and punish criminals rather than persecute the innocent.

I think that is a good emphasis.

HUMAN RIGHTS

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, the second petition is from people in and around my riding. They ask Parliament not to amend the human rights code, the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

It is a pleasure to introduce this on behalf of my constituents.

CANADIAN BROADCASTING CORPORATION

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, 1,000 of the undersigned residents of Canada draw to the attention of the House that the Canadian Broadcasting Corporation is Canada's national public broadcasting service and an agent of Her Majesty; that the CBC is funded by the federal government with taxpayers' dollars; that the CBC plays a significant role in meeting the statutory objective set out for the broadcasting system of safeguarding, enriching and strengthening the cultural, political, social and economic fabric of Canada; that the CBC has applied to televise the proceedings of the Paul Bernardo trial and that this application does not support the role of the CBC and does nothing to safeguard, enrich or strengthen the fabric of Canada.

Therefore the petitioners call upon Parliament to condemn the actions of the Canadian Broadcasting Corporation and to request that accordance with its responsibilities as the national broadcaster, the CBC withdraw its application to televise the Paul Bernardo trial.

CRTC

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I have a petition signed by over 400 residents of the County of Peterborough, many of whom I know personally.

They point out that the Canadian Radio–Television and Telecommunications Commission, the CRTC, has allowed Bell Canada to increase local area calling rates by $2 per month for each of 1995, 1996 and 1997, which represents an increase of approximately 50 per cent over three years. They point out that the proposed increases far exceed the cost of living index and that the proposed savings in long distance rates will be of little benefit to the majority of senior citizens receiving the guaranteed income supplement and other low income individuals.

• (1510)

Therefore, these petitioners request that Parliament urge the CRTC to require Bell Canada to file a plan that will address the issues of accessibility to local telephone service and the affordability of local calling rates for senior citizens who are receiving the guaranteed income supplement as well as other low income individuals in our community.

YOUNG OFFENDERS

Mr. Mark Assad (Gatineau—La Lièvre, Lib.): Mr. Speaker, pursuant to Standing Order 36, I have two different petitions.

The first one is from very concerned citizens who would like to see a review and revision of our laws concerning young offenders by empowering the courts to prosecute and punish young offenders who are terrorizing society by releasing their names and lowering the age limit to allow persecution to meet the severity of the crime.

HUMAN RIGHTS

Mr. Mark Assad (Gatineau—La Lièvre, Lib.): Mr. Speaker, my second petition is from a group of concerned citizens who

call upon Parliament and petition Parliament to amend the Canadian Human Rights Act to protect individuals from discrimination based on sexual orientation.

ASSISTED SUICIDE

Mr. Morris Bodnar (Saskatoon—Dundurn, Lib.): Mr. Speaker, today I have three petitions. In the first one the petitioners request that Parliament continue to reject euthanasia and physician assisted suicide in Canada and that section 241 of the Criminal Code which forbids counselling, procuring, aiding and abetting of a person to commit suicide be enforced vigorously.

In the second petition the petitioners request that Parliament ensure that the provisions of the Criminal Code prohibiting assisted suicide be enforced vigorously and that there be no changes to the law to sanction euthanasia in any manner.

HUMAN RIGHTS

Mr. Morris Bodnar (Saskatoon—Dundurn, Lib.): Mr. Speaker, my third petition is a petition indicating that the petitioners believe that gay men, lesbians and bisexuals are subject to discrimination in this country and that the Charter of Rights and Freedoms guarantees that everyone has a right to protection against discrimination.

They request that Parliament amend the Canadian Human Rights Act to protect individuals from discrimination based on sexual orientation.

EUTHANASIA

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, pursuant to Standing Order 36, I am pleased to present four petitions today. The third and fourth petitions aim to draw Parliament's attention to the consequence of legalizing euthanasia.

The petitioners request that Parliament continue to reject euthanasia and physician assisted suicide in Canada.

GUN CONTROL

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, the 400 petitioners of the first and second petition are requesting that Parliament not attack the recreational firearms community.

They support legislation that severely punishes one who uses a weapon including a weapon other than a firearm, protects the rights and freedoms of the law–abiding recreational firearms community to own and use firearm responsibly, passes careful scrutiny to see that it will improve public safety in a cost effective manner, and repeals present firearms control legislation that features tortuous language and has been characterized by the courts as one of the most horrifying examples of ad draftsmanship.

I am pleased to submit these petitions. I support them.

MINING

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, it is my honour to present a petition on behalf of a number of residents from mining communities in British Columbia who are calling on Parliament to take action that will see an increase in employment in the mining sector, promote mining exploration, rebuild Canada's mineral reserves, sustain mining communities and keep mining in Canada.

HUMAN RIGHTS

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, in another petition the petitioners simply ask that Parliament not amend the human rights code, the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way that would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

* * *

QUESTIONS ON THE ORDER PAPER

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, on a point of order pursuant to Standing Order 39, I placed a question on the Order Paper on September 30, 1994. That was 143 days ago.

As the question required a detailed response, I did not request that the answer be provided within 45 days as the Standing Orders allow.

I am seeking information on grants from the Canada Council. The government has failed to provide the information requested and the Canada Council is already exempt from access to information requests. Now it appears to be exempting itself from usual parliamentary procedures and the expectations of this member of Parliament.

• (1515)

In these times of government restraint taxpayers are demanding that government funds be used responsibly so it is my role to ask questions to ensure that this happens. However someone has chosen not to answer the question. Why is this information being hidden from Canadians?

One hundred and forty–three days is an unacceptable length of time to respond to my question which I shall pose again:

> For 1992 and 1993, what was the total amount of funds received by individuals and groups from the Canada Council, who were these individuals, for what specific projects did they receive funding and how much did they receive?

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I thank the hon. member for raising the point. I hope I will be in a position to furnish the House with an answer to her question later this week.

I note that the reply will be lengthy because the Canada Council hands out a great number of grants to numerous individuals and bodies across Canada. The first reply was received. Certain information that the member requested was missing from the answer and it was sent back so that it would be made complete. I expect to be in possession of the complete answer later this week.

If the hon. member is so concerned about saving taxpayers' dollars I have no doubt she would have gone to the Library of Parliament and looked up the annual reports of the Canada Council wherein all its grants are listed. She could have obtained the answer there instead of putting a question on the Order Paper which will cost many thousands of extra dollars to provide to the House in the copies and in the form that she wishes to have it.

Having given that response, I would ask that all questions be allowed to stand.

[*Translation*]

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, this is the fourth time I rise in the House to point out to the government that I have had a question on the Order Paper since October 19. This is more than 120 days ago, although normally, it takes 45 days to get a reply. It has now been four months, and I have yet to get an answer to my question, unlike the hon. member for Calgary Southeast.

The Minister of Public Works is doing everything in his power to prevent us from having access to the information I requested. I wonder whether the government is trying to keep members from having access to the information they need. I ask the Speaker to urge the government to observe the rules of this House. In my opinion, this shows utter contempt for the Standing Orders of this House. Could I have a commitment from the hon. member, a specific date on which I will get the information I requested four months ago?

Mr. Milliken: Mr. Speaker, the answer is the same answer the hon. member was given Friday. This government does not vary its answers. The answer is always the same. We will have a reply very shortly, and when I receive it, I will table it here in the House.

[*English*]

The Deputy Speaker: Shall all questions be allowed to stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

YOUNG OFFENDERS ACT

The House resumed consideration of the motion that Bill C–37, an act to amend the Young Offenders Act and the Criminal Code, be read the third time and passed.

The Deputy Speaker: Before question period I understand the Chair undertook that the member for South Shore would have time to reply to the question or comment of the hon. member for Wild Rose.

Mr. Derek Wells (South Shore, Lib.): Mr. Speaker, I believe when we broke there were approximately two minutes left so I will keep my answer short.

It will come as no surprise that I disagree almost completely with the premise of the member for Wild Rose. We ignore the sociological factors at our peril.

I would be more apt to accept the views of Dr. Alan Leschied over those of the hon. member. The hon. member will perhaps remember that Dr. Leschied was at the committee hearing. I believe the hon. member was in attendance when he addressed the factors that had to be considered. If we read the transcript which is quite lengthy it would set out the views that I expressed earlier in my representations.

The Deputy Speaker: There is approximately one minute left. If the member for Wild Rose wishes to use 30 seconds of it he has 30 seconds.

• (1520)

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, I want to make sure the House understands that I agree we need to address those things but it should not be through the justice department. I am trying to differentiate between the two.

I also asked the member about 16 and 17 year olds and about how it is making a difference when I see it making no difference whatsoever. I would like him to respond to that part.

Mr. Wells: Mr. Speaker, the new provisions for 16 and 17 year olds are not yet law. They are simply before the House in the bill. I would ask the member to give them a chance. I think he will see that they will make a difference.

[*Translation*]

Mr. Benoît Tremblay (Rosemont, BQ): Mr. Speaker, the Young Offenders Act, amendments to which we are discussing today, reaches deep into the fabric of our society. When we

decide to amend this act, we must try to better express the ideals, values and objectives of our society for the young people who have committed crimes.

We must remember that the very existence of a young offenders act is an expression of Canadian society's desire to offer young people an alternative to the Criminal Code, which applies to adults. Our society is aiming not only at stopping and penalizing the criminal behaviour of young people, but also at giving them training to help them learn and adjust. For this reason, responsibility for administering the Young Offenders Act does not rest with the judicial system alone, but also with the social services set up by the various provinces.

In Quebec, organized services for young people in trouble and young offenders date back to the establishment of the first industrial and reform schools in the second half of the 19th century, that is, even before the federal Parliament adopted the first juvenile delinquents act in 1908.

More than 8,000 social workers from various professions currently work in youth centres in Quebec. They are involved annually with 85,000 young people and their families, including nearly 22,000 young persons who are referred to them under the Young Offenders Act. These experts represent an extraordinary resource we would be wrong to forgo.

We are in the curious situation in the House today of discussing a bill to amend the Young Offenders Act in third reading, when almost all those making representations before the House Standing Committee on Justice and Legal Affairs had asked that the adoption of these amendments be delayed.

These people all asked the Minister of Justice to move immediately on to the second phase of his plan of action—an in–depth evaluation of the present act and its application—before making such substantial amendments to the act.

Based on this evaluation, the amendments proposed by the justice minister could be reviewed and all members could vote with the full conviction that they are giving the parties involved in fighting youth crime the legal tool to do so, while at the same time promoting deterrence and rehabilitation.

Why is the justice minister refusing to take this logical step? Can the minister convince us that the amendments he has proposed must definitely be passed without delay?

In preparing my statement, I was struck by the fact that none of the stakeholders I met would feel any better equipped to fight youth crime if the amendments proposed by the minister were passed. On the contrary, they are convinced that their job would be even more difficult, both in respect of the public and the young persons themselves.

For instance, increasing sentences for serious offences may create a false sense of security among the public, although past experience gives us no reason to expect that such a measure would have a positive effect, either on the level of crime or on recidivism among young persons.

• (1525)

Moreover, by basically limiting detention orders to offences involving serious assault with bodily harm, the act would deprive the judicial system and social workers of an instrument sometimes necessary to the rehabilitation of certain young persons for whom recidivism, schooling, family and personal situation and other circumstances must be taken into account. In short, a prison sentence may be appropriate in certain cases even if the offences in question did not entail serious personal harm.

In other words, we can assert on the basis of present findings that passing this act would not provide any greater measure of social protection and that the quality of supervision for certain young persons would suffer. The question which naturally comes to mind is the following: Why is the Minister of Justice bent on pushing through so quickly an act that all those concerned doubt will be effective?

Many people think the answer to it is that the Minister of Justice has given in to a small but very vocal group that favours lex talionis, "an eye for an eye, a tooth for a tooth". This group is reacting to the small glimpse they have gotten of juvenile delinquency and to the knowledge they have gleaned from the media of certain extreme but very rare manifestations of that criminality, such as crimes against persons. Left to its own devices and fanned by radio talk–show hosts, this fraction of public opinion is demanding that draconian measures be taken against juvenile delinquency.

By giving in to such pressure, the Minister of Justice shows that he pays more attention to what radio talk–show hosts say than to those working in the sector. Has he forgotten that his primary mission is to propose effective laws to Canadians that enforce our ideals of justice?

We are very disappointed that the Minister of Justice has abdicated his primary responsibility by proposing repressive and ineffective amendments inspired by ultraconservative opinions on social policy first propagated by the Reform Party, then apparently adopted by the Liberal party as their own.

The Bloc Quebecois believes that we can and must channel the legitimate concerns of the population towards a better understanding of juvenile delinquency and towards a willingness to apply adequate preventative and deterrent measures, as well as effective rehabilitation measures for young offenders.

The minister promises that he will take that approach later, while forcing us to adopt amendments which go against the spirit of the very approach he proposes. The members of this

House must understand that the amendments proposed by the Minister of Justice reflect a policy and values that are fundamentally different from those underlying the act itself.

By increasingly linking sentencing to the seriousness of the offences committed as the sole factor, these amendments thwart the search for measures consistent with both the seriousness of the offences and the needs of the young offenders. This search is the very basis for the existence of a Young Offenders Act distinct from the Criminal Code.

How can they ask us to renounce today the underlying principles of a law that is supposed to undergo a thorough review in the coming months?

We are well aware of the inconsistency in the approach proposed by the Minister of Justice and will vote against these amendments. We know, however, that the bill is at the third reading stage and that, unless it is withdrawn by the Minister of Justice, it will be passed by the government majority, probably with the support of Reform members.

Therefore, I ask the Minister of Justice straight out to reconsider his position and initiate his proposed review of the Young Offenders Act now before this bill is passed.

• (1530)

I am confident that such a decision would be widely supported across Canada, and it would be the only acceptable option from Quebec's point of view. In Quebec, this bill was opposed not only by those who work with young offenders but by the Quebec government, which expressed its opposition very clearly through its Minister of Justice, its Minister of Health and Social Services, and its Minister of Public Security.

As early as June 14, 1994, Roger Lefebvre, as the then Minister of Justice and on behalf of his colleagues, the Minister of Health and Social Services and the Minister of Public Security, told his federal counterpart about his deep concerns regarding Bill C–37. Quebec's position, together with a detailed analysis of the bill, was relayed to the federal deputy minister as early as September 12 and tabled before the House of Commons justice committee.

Let me read the main conclusions of this analysis: Bill C–37 does not resolve the problem adequately; Bill C–37 is unfounded; Bill C–37 is full of inconsistencies and ambiguity; Bill C–37 has undesirable and unjustified effects in terms of service organization and principles as well as in clinical and financial terms.

Quebec's position on this bill could hardly be clearer and more devastating. I want to emphasize the fact that this position was developed by members of the previous Cabinet in Quebec, a Liberal Cabinet, and that it was fully endorsed by the present Party Quebecois government. Therefore, there is no doubt that this position reflects a very large consensus in Quebec society.

The federal justice minister must understand that, should the amendments contained in this bill be passed, the justice, health and social services departments as well as those primarily responsible for their enforcement in Quebec would then be forced to put into application amendments to the Young Offenders Act that they unanimously denounced and against which the vast majority of members from Quebec would have voted.

This brings to light a serious situation where the Canadian majority would impose upon the people of Quebec values and directions to which they object.

This situation appears all the more unacceptable that most witnesses from the rest of Canada and even federal justice analysts agree that Quebec is in fact a model in combatting youth crime and rehabilitating young offenders.

While the youth crime rate in Quebec compares favourably to the rate in the other provinces, the number of cases transferred is much lower than it is in the other provinces. There are only 9.4 per cent of referrals in Quebec, with 25.4 per cent of the youth population between the ages of 12 and 17.

This is due to a large extent to the enforcement measures put in place in Quebec and a more extensive use of the alternative measures program. In addition, the emphasis put on the Youth Protection Act and its enforcement in Quebec makes it possible to deal with difficult family circumstances without resorting to the Youth Offenders Act. In short, Quebec has developed an integrated and efficient approach and the other provinces should follow suit.

How are we to explain to our fellow Quebec citizens that, if this bill is passed, we will have to abide by the wishes of the federal Parliament even though these amendments were rejected unanimously by the Quebec departments and officials in charge of enforcing them?

• (1535)

Of course we will have to mention the constitution, although the hon. member for Shawinigan and Prime Minister of Canada does not like it when we bring this up. Well, according to the Canadian constitution, the Young Offenders Act is a federal matter, although its implementation is up to the provincial governments.

Quebec will have to submit to the will of Parliament in this respect, until we change the constitution or decide to draft our own constitution, as a sovereign country.

Some members or observers may think I am just using this debate to promote the sovereignist option by stressing the differences between Quebec and the federal government. That is certainly not the case, since I have asked the Minister of Justice to delay the passage of this bill and to proceed with a review that would be beneficial to all the provinces of Canada.

If the Minister of Justice says no, I will have to conclude that we are faced with two different philosophies regarding youth crime and that the rest of Canada, by using the powers conferred by the constitution on the federal Parliament, is forcing on Quebec an approach that it cannot accept. I think that young people in Quebec who are in trouble deserve a more satisfactory response than the one proposed by the Minister of Justice, which draws its inspiration from the repressive and ultraconservative policies that come to us from Western Canada.

In any case, the Bloc Quebecois will do everything in its power to stop these policies at the Quebec border. First, by voting against this bill, and then by maintaining our support for sovereign status for Quebec, which would give it exclusive legislative powers.

[*English*]

Mr. Ovid L. Jackson (Bruce—Grey, Lib.): Mr. Speaker, I know that Quebec has a different approach to young offenders and it works quite well. I wonder if there is not enough leeway in the bill for judges to make a decision that would accommodate Quebec's option.

[*Translation*]

Mr. Tremblay (Rosemont): Mr. Speaker, the government of Quebec submitted an analysis, which I could give my colleague. It was tabled with the House justice committee. Very clearly, it says first that this bill is not justified. Reasons are given for increasing sentences. Sentences were just increased in 1992, when Kim Campbell was the Minister of Justice. In 1992, she increased sentences for young offenders.

We have yet to see the results. Now we are giving in again. We are trying to be like the people of California, or just about. Their biggest budget items are prisons and the police. We want health and education to be the biggest items here, not prisons and the police.

In the bill, sentences are being increased. What is more serious in this bill from the standpoint of young people? One very important point is that, from now on, detention will be almost impossible for young people who have not committed serious crimes against individuals.

For example, young people involved in car theft networks or even in drug or cigarette trafficking, who have not been caught committing crimes against individuals, but who need to be withdrawn from their surroundings, must be detained for rehabilitation. The bill will restrict the ability of those in these situations who must intervene and remove young people from their surroundings so that they do not become hardened criminals.

• (1540)

On the one hand, unfortunately, sentences are being increased, while on the other, offences for which such sentences can be imposed are being restricted. Basically, however, if the system is adequate—which is unfortunately not the case in all provinces—being in custody allows for the young person to be extricated from criminal surroundings and rehabilitated before it is too late. The other aspect which seems absurd to us is that a 16 or 17–year old will have to prove that he should be heard in youth court.

First of all, I would like to point out a misconception which I hear on a regular basis from members of the Reform Party. In certain cases, young persons might clearly fare better before an adult court than under the Young Offenders Act because the Young Offenders Act also provides for extended sentences in certain cases to allow for rehabilitation and, very often, such young persons are removed from a series of measures instituted to help them, but also to supervise them.

I listened to what was said and at times I found it quite astonishing. Putting young persons into custody under the present system is no picnic for them, but it provides for good supervision and gives them a chance to make a fresh start for themselves. The bill refers to rehabilitation; the preamble has been changed. Nothing in the amendments provides for improved rehabilitation. Changing the preamble and including all the measures which appeal to the Reform Party will not improve the act.

In Quebec, we are systematically opposed to it. All institutions, departments concerned and interested parties know that it is taking us in the wrong direction.

[*English*]

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Mr. Speaker, in rising to speak on Bill C–37, which amends the Young Offenders Act and the Criminal Code, I am taken back to earlier stages in my professional career as a sometime crown prosecutor and a defence lawyer. At a later stage I specialized in the teaching of Soviet law and the aspects of Soviet criminal law. I speak now of non–political crimes where that country had moved in the sentencing phase into much more of a sociological approach than a conventional criminological approach.

The bill is interesting because it comes at a time of historical transition in our society and in the world community as a whole, with the social tensions that are always present in a period of very rapid change which outstrip the ability of the social processes to accommodate to the changes.

As one who has to deal a lot with statistics, I have reservations, but it is a fact that the statistics show no substantial increase in the numbers of crimes being perpetrated in our society. It is also a fact, I think beyond doubt, that the intensity of the crimes and the violence of them are greatly augmented. This is what explains the public demand, it is certainly reflected in one of the opposition parties, for a toughening up of the criminal law, if one can use those terms.

The criminal law, not less than any other branch of public law, represents an attempt to balance the larger public interests against individual interests. Sometimes the metaphor of the pendulum has been used, but the pendulum which has swung much more in the immediate past years in favour of the rights of accused persons has swung, in the last several years certainly, much more strongly in favour of the protection of societal interests. We all reflect that.

• (1545)

It is reflected in the petitions presented in this House today. I note with interest that members of several different parties present petitions on this general question. All of us as members of Parliament receive letters from our constituents.

One of the very sad things in all this is that since Jeremy Bentham first formulated his plans on penal reform, on curing of the offenders, one has the terrible feeling that not as much progress has been made in that as a scientific discipline as should have been made. Therefore we come back to the issue with this bill: How has the balance been struck by the minister in approaching the demands for amendment of the existing Young Offenders Act and the Criminal Code? How has he responded to the conflicting social interests?

Listening to the debate, one was struck by the difference in the attitude of the two opposition parties. The official opposition, and I take the criticisms of the hon. member for Rosemont as reflecting this, felt that the measure was too severe, that it did not adequately reflect the social interests in protecting young offenders. With the other opposition party, I think the criticism was made that it did not go far enough.

If the minister manages to build in both those criticisms of his work, it may strike many that maybe he has found the middle way. Let us have a look and see exactly what has been done.

There is the increase in the maximum sentences for teenagers to ten years for first degree murder or a maximum of seven years in the case of second degree murder. This reflects quite clearly the public concern that young offenders can commit murder and walk away from them.

I thought that the hon. member for Rosemont suggested that this was a simplistic approach and it did not take enough account of the element of recidivism which he feels is still severe in relation to young offenders who have been imprisoned. Perhaps we can take a look at that a little later when we examine other parts of the proposed bill.

The second part of the bill is significant and concerns young offenders, 16 or 17 year olds, charged with serious personal injury offences which are defined in the revised act as murder, attempted murder, manslaughter, aggravated sexual assault, and aggravated assault. These persons will be tried in adult court unless they can show a judge that public protection and rehabilitation can be achieved through the youth court. It changes the burden of carriage of the suit significantly from the preceding act which it now proposes to amend.

The bill does reflect the public interest in the public right to know the facts of offences. Parameters must be established in this regard.

In this House in recent days we have heard a certain cry of anguish from many members about what many feel are indecent attempts of some public media to open the books on recent sex offences and murders involving young people. Members know the cases without my citing the names.

The public interest, the public right to know demands increasingly that the courts be opened up. This process is reflected architecturally in the grand design of the Supreme Court of British Columbia, Arthur Erickson's design, which is literally intended to allow people to walk in from the streets and through the courts.

Courts used to be shut up. When I was a young lawyer, they were closed. It was very hard to find your way and was panelled in dark wood. The court officials seemed to do their best to keep people out. Therefore this particular aspect is certainly there. In so far as court proceedings are a part of the general public educational process in criminal law, I think this is a step forward without any apparent disadvantages to it.

• (1550)

The time that 16 and 17 year old young offenders convicted of murder in adult court must serve before they can be considered for parole is extended. This is a reaction generally to a public feeling that the parole system today is not functioning as it should. It is being addressed in a more general way by other sections of the justice ministry.

Suffice it to say, for the most serious offence of all, the extension of the time to be served in the case of young offenders responds to very clear public interest. This was expressed to all members of Parliament through petition and through direct correspondence to us.

The provision for information sharing among professional people, school officials, police, and certain public groups when public safety is at risk has been criticized by some as exposing young people to public obloquy. It has been criticized by one of the opposition parties in this debate as not going far enough. There are two things to remember.

We have moved a long way from the 18th century notion that people were exposed in the docks, in the public stocks in the village square, and made to wear a letter on their chest if they were convicted of certain offences. It reflects a reaction to this but it also recognizes awareness of the relevance of the charter of rights. The charter of rights, as interpreted in the jurisprudence in our courts, is very strict in its definition of the limits of the public right to know and the protection of the privacy of individuals.

In this particular sense, it seems to me the minister has gone as far as he sensibly can go. He is a law reformer who wants his law to prevail. He does not want it to be challenged endlessly before the courts and perhaps thrown out on the basis of the rational interpretation of the court jurisprudence that all of us as professionals in the field know how to make.

Similarly, with the provisions for rehabilitation and treatment of young offenders, I was struck by the comments of the member for Rosemont, the official opposition. I think we are all ready and willing to learn from the experience of other countries and certainly from provinces within our federal system. I was struck by the thoughtful question posed by a member of my own party to the member for Rosemont.

This exchange of information is important. As far as the federal law is concerned, it represents a significant advance on provisions as they now exist.

One very interesting area is the provision the minister makes for the private law responsibility of offenders, here specifically young offenders, where property crimes or less serious offences are what is involved. The concept seems to be the restorative one that the criminal offender, the delinquent, should not merely purge an offence in terms of suffering punishment but should also assume the burden of correcting the social situation that he or she has so rudely disturbed.

If young people wantonly destroy property, we can take the Singapore approach and you can cane them in well publicized ways. Or we can ask the young people to repair the property as part of their sentence. We can ask them to accept the responsibility for what they have done which I think is an excellent approach. I hope it will be extended more widely within our criminal law.

• (1555)

Contrary to public impression and also public impression of some public officials, the way always exists under our law for private law actions to compel just that, the restoration of the situation to as it existed before. Actions are quite common in continental European law against the parents of young offenders or against the young offenders themselves for that matter, for whom their parents would stand in responsibility.

In any case, this is innovative. It shows the attempt the minister is making to produce a coherent law that balances the old with the new social imperatives in a period of rapid change. In making compromises, it strikes a balance that takes us beyond the social problem as it has been thought to exist.

On this basis this is a valuable step forward. We have to be especially careful when dealing with young offenders in facing the reality that long incarceration with young people encourages recidivism and may be the least effective social control of all.

Nevertheless the minister, in relation to the supreme offences, first and second degree murder, has taken the step of increasing the punishment. In other areas he has recognized the public wish to be involved but within the limitation that we will not encourage prurience by publishing televised tapes that people recorded of their victims. We will go so far as to say the public has a right to know.

We will bring in the social services people to encourage rehabilitation of young people. We will accept the notion that in the protection of the public responsible public officials in schools and elsewhere need to be given information. However that information must be done in conformity with the Charter of Rights and Freedoms as interpreted by the courts and as predictably applying in cases such as the present.

On this basis, I am happy to commend Bill C–37 for adoption by this House.

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, I have a hard time understanding this. A 17–year–old murders an individual, such as the mother in Edmonton. Someone else, who happens to be one year older, does the same thing. For him it is an automatic life sentence for first degree murder because he is one year older.

Why should there be a difference between a 17–year–old and an 18–year–old? Why should a 17–year–old who performs that kind of act receive three years, which is very possible, and an 18–year–old who performs that kind of heinous act receive a 25–year sentence?

I am struggling with the difference. Why do we not take 16 and 17 year olds and say they are in adult court, period? Why include something that says unless it can be proven that it would be more to their benefit to be in juvenile court? Are we trying to create more work for lawyers? That is probably one of the motives, but I would not dare suggest it.

Mr. McWhinney: Mr. Speaker, I appreciate the fruitful question raised by the hon. member. I would have thought the bill as presented by the minister responded to the specific cases he raised. These 16 and 17 year olds are to be dealt with in adult court under the bill. The maximum sentence is 10 years for first degree murder.

We are getting into this issue of marginal variation and where do we draw the line? Would we extend it from 16 years down to 15, or why not then 14? A life sentence and even death sentences were routinely applied in earlier periods of criminology to young children. We have obviously gone beyond that.

• (1600)

We have tried to establish a new line which reflects present societal expectations and present societal realities. It is always possible to amend this, but I would have thought that there is a significant change now made in applying this 10–year minimum sentence for first degree murder. On that particular score I think that the bill represents an advance. However, if on experience it is found that changes are needed, it can be amended again.

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, I rise today to speak again on Bill C–37, an act to amend the Young Offenders Act.

This matter is close to my heart, as I lived with young offender issues and their consequences long before the Young Offenders Act became the law of the land. I was a part of the more than 10 years of consultation and wrangling that occurred which finally produced Bill C–61 back in 1981, which brought us this tragic, social science experiment perpetrated upon the Canadian people.

I have a clear message for the Minister of Justice and his cabinet colleagues. I also want to wake up the policy section of the Department of Justice which has led the justice minister into the mistake of Bill C–37.

I can appreciate that the justice minister has to take what he believes is the best advice he can get from his advisers. I say to those few in the department who have misguided the minister that the shame of the country is on their shoulders.

The condescending prescriptive approach of Bill C–37 is fundamentally out of step with mainstream Canadian values and it makes one's heart sink. I do not know what I can say to drag the members opposite into the nineties, clear their heads and listen to what I am saying. They should not discount what I say because of where I stand in the House. I claim particular credibility about the Young Offenders Act.

This country does not need Bill C–37. Rather, it needs a renewed Young Offenders Act, one which will improve the safety of our streets, put Canadians' minds at ease and reflect what Canadians want.

Members of this House and the minister, listen to what I am saying and make the appropriate adjustments. Bill C–37 is wrong. Hopefully we can get it right at the 10–year review.

Since coming to Ottawa I have sat through most of the justice committee meetings which dealt with Bill C–37. I have held town hall meetings and have done widespread surveys in my riding of New Westminster—Burnaby. I have also consulted across the country. The conclusion is the same, the Young Offenders Act and the amendments proposed as part of Bill C–37 do not come close to solving the problems associated with young offenders today.

In a survey included in a recent householder of mine I asked constituents a straightforward question: Does the current Young Offenders Act need to be amended? The yes response was an astounding 96.3 per cent. At town hall meetings in my riding the consensus was to lower the age and to change other essential elements.

This feeling is widespread across Canada. However, the bleeding heart Liberals do not want to admit it. Clearly the YOA is fundamentally flawed and has not achieved the acceptance that we would expect if it were operationally appropriate.

Canadians have had it with high taxes and an uncontrollable deficit and debt. They have had it with gun control measures which do not deter criminals. Most of all, they have had it with the Young Offenders Act which does not protect innocent people or support the principles of specific or general deterrence. Instead it seems to protect the rights of the offender in a manner out of balance with that of the victims.

The Young Offenders Act makes certain that the identity of a young offender is not known even if this puts the general public at high risk. Further, the Young Offenders Act fails to recognize the rights of the victim as a needed integral part of the justice system, as there is no legal recognition of their stake in the general proceedings.

The Minister of Justice asked for consultation, such as his 1993 discussion paper "Toward Safer Communities". The public thinks that the minister really cares about what it thinks. What the public does not know is that the minister already finished drafting the bill before the last responses were received.

True consultation is something which all members of the Liberal Party need to learn. Perhaps they should take a lesson from the members on this side of the House. To consult means not only to listen but to implement what the majority wants. Canadians are being reminded again that the Liberals' definition of consultation is to appear to listen and then to follow their original agenda.

• (1605)

Before the drafting of Bill C–37 there were rallies upon rallies across the country for drastic changes to the YOA. What happened? There were no drastic changes. Now on the eve of the 1995 budget Canadians are holding tax rallies from Victoria to St. John's demanding no more taxes. What will happen? The finance minister will raise taxes and increase the deficit all in one shot. The Liberals will still have the nerve to say that this is what the general public wants or should have.

The Reform Party appreciates the grassroots and listens very carefully. Our plan of reform of the YOA is community based, with a history of a bottom up approach, rather than the traditional bureaucratic, top down, no grassroots approach. Therefore, the Reform proposals I want to present are the ones that the

Canadian public wants and the ones that the Canadian public deserves.

One, lower the young offenders age of definition of young person from 10 to 15 years inclusive from 12 to 17 years inclusive. Two, any young offender who commits an indictable offence could possibly be transferred to adult court. Three, remove extra privacy and secrecy provisions in the Young Offenders Act and treat all YOA records, access to information, ability to publish in the same manner as is for adults.

Four, sentencing must emphasize victim compensation, community service, skills training, education and deterrence to others. In custodial facilities opportunities for rehabilitation must be emphasized in a disciplined environment. Medical psychological treatment orders should not require the consent of the young offender.

Five, parents of young offenders should be held responsible for compensating victims for property crimes if it can be demonstrated that they have not made a reasonable effort to exercise parental control. Six, victims must be given legal standing in youth court and be invited to be involved at all stages of court.

Constituents often ask why the government always tinkers with the YOA instead of making all the necessary changes in one try. I think we all know the answer. By changing it slightly throughout its mandate, the government makes it appear that it is really working hard for the people while basically preserving the status quo and not changing what it originally gave us.

Many members spoke on Bill C–37 at second reading stage and many more are going to be speaking at this stage. However, very few who will speak on this bill have experienced the frustrations of the Young Offenders Act firsthand. I realize that many of my colleagues in this House are lawyers but I know that only a few have ever dealt with defending or prosecuting a young offender.

As a former probation officer in the British Columbia Youth Court, I had to deal with the Young Offenders Act on a daily basis. I have lived and breathed the Young Offenders Act problems for years. As an officer of the court I did my best to administer at the street level the Young Offenders Act and its predecessor, the Juvenile Delinquents Act of 1908.

Beyond the lawyer who may have defended a youth at court, I regularly made home visits with young offenders and surveyed the social context of the offender. I worked hard to promote innovative resolutions to varied crises in case management, bringing together public health, social work and psychiatry in the schools to respond to particular needs. This both pre–court and post–court effort was happening long before the Young Offenders Act became law. The reality of administering the sentences and consequences of the Young Offenders Act is far removed from court proceedings. This different world is not comprehended very well by legal drafters and policy people.

I mention this as it relates not only to what should be done to fix the YOA but in respect to the credibility of the message giver. The Bloc accused me of nostalgic fascism when I rose to speak about the Young Offenders Act on May 12, 1994.

I want to remind my detractors in this House and those few lawyers who think they know something about young offenders—it seems that everyone in this House has an opinion about youth crime—that my recommendations come within the context of years of intimate working knowledge of trying to make the system work at the level of basic application.

The Reform Party's proposals are not right wing reactionary, but rooted deeply in direct experience and a careful evaluation of the balance between community desires and specific offender concerns.

The member for Notre–Dame–de–Grâce is nationally known for his misguided views about offenders. At report stage he was again attributing views to the Reform position on Bill C–37 which had more to do with covering his own guilt about what he and his colleagues did to this country when a previous Liberal administration, which included the current Prime Minister, told Canadians what was good for them and thereby gave us the Young Offenders Act.

I was involved in early consultations when the Juvenile Delinquents Act was being changed to the early version of the Young Offenders Act. Philosophies are varied. I have seen violent youth released because of minor technicalities and flaws in the act. The Young Offenders Act is terribly flawed and will only further harm Canadians if it is kept in its present state, including if the amendments to Bill C–37 are given royal assent.

• (1610)

I tried as a professional to defend the system with the tool box of rules and resources that I had at my disposal. I found the act at times to be very cumbersome, a liberal statement of unrealistic hope over reality, inflexible rules over common sense, a sense of government betrayal to many victims, and a carte blanche to the self–centred predator.

On a regular basis I ran into frustrated parents on both sides. Some parents wanted the law to do something with an offending son or daughter but the hands of the authorities, including mine as a court officer, were tied. Victims were always asking the same questions, why the parents of young offenders cannot be held accountable, why the guardians who are supposed to be doing their duty and who fail to act cannot be held accountable for what they allowed to happen. How many times have we all heard the comment when a young offender is caught: "Where are the parents?"

This government gave its answer to the country and it was in plain, clear English. It could not care less. In December 1994 this bill was at committee stage. At that time the Liberal and Reform parties brought forward amendments that would alter Bill C–37. Every amendment the Reform Party put forward was voted down by the Liberals, not because they may have disagreed with the amendment but because some were afraid to break party ranks. They were afraid to do what was right for the country.

One of our amendments would have included some limited parental accountability to the Young Offenders Act. The proposed change was to clause 13 of the bill. It asked the courts to order the person having custodial care and control of the young person who fails to reasonably exercise foreseeable parental duty to pay and to order such person at such time and on such terms as the court may fix an amount by way of compensation for loss of property, for loss of income or support for special damages for personal injury arising from the commission of the offence where the value thereof is readily ascertainable, but no order shall be made for general damages.

It is now a record for the whole country to see where this government stands. This government is determined to have its own way, to defend the status quo and to continue the old style way of governing this country. The Liberals only listened as they were preparing the red book. They put in the red book what the people wanted to hear but then they quickly forgot what they had heard.

The book promised changes to the Young Offenders Act. More so, it promised to deal with Canadians' concerns. It was 100 per cent smoke and mirrors, I think. Canadians' thoughts were not even brought to the table.

Let us look at what has been accomplished. The Liberals were elected as the government and the people are still suffering under an ill fated Young Offenders Act. By failing to take bold action to correct what was largely not working and introducing legislation just to mollify a restless public and fulfil an election promise with the call "trust us", this government has fallen short and let us down.

The Liberals' efforts are simply a top down, we know best answer to an increasingly aware and justifiably demanding populace. I am most pessimistic about any result from the announced 10–year review.

Members of this House of Commons may not feel the backlash from constituents just yet, but be sure that when they vie for re–election constituents from coast to coast will be asking what Liberal Party members did to improve the Young Offenders Act. When these Liberal MPs have to really defend to their constituents the inadequate improvements electors will look for the party that will truly represent the people and that party will certainly be the Reform Party.

We have a social philosophy of openness and community accountability that the old style Liberal ideology just cannot seem to comprehend. A new Young Offenders Act must be socially resonant. It must clearly demonstrate Canadian society's values and mores. It must be an instrument not only of rehabilitation and treatment but also of deterrence and orderly denunciation. It must reflect mainstream Canadian values.

Parents are concerned for the safety of our children. They are demanding an accountability of the justice system to the community and they want to have a sense of ownership in the process of justice. They are frustrated and angry that the current system seems to operate for and around a select enclave of justice professionals, the criminologists, the legal community, corrections workers, offender care agencies and the police.

Nine pages of this bill relate to amendments around a faulty premise. I say clearly to the minister let go of these outdated notions and stop the tangled bureaucratic response where one line in the act would suffice to simply state that a youth court record and an adult criminal record are one and the same of a continuum to be kept in one computer and handled like all other criminal records.

Society sees violent crime with abhorrence, needing denunciation and a sensible social defence response.

• (1615)

If the violent 16 and 17 year old young offender is kept within the bounds of the Young Offenders Act, the maximum penalty for first degree murder would be 10 years. If that same violent offender were dealt with in adult court, the penalty for first degree murder would be life imprisonment. While 10 years under the new proposal would seem to be sufficiently harsh, the reality is that probably only 6 years would be spent in detention at most, with the remaining 4 years to be spent under community supervision.

At the other end of the spectrum are the youngsters 10 and 11 years old who are flexing their egos and daring society to take them to task. Under the provisions of Bill C–37, they remain untouchable. By the time they are 12 years old, the hard core are street wise and becoming increasingly sophisticated in testing the system. When they finally appear as young offenders, they are already beyond being intimidated by the system. The successive warnings and breaks they receive as young offenders then become meaningless.

They often are too deeply entrenched in the game to see or desire a way out. However I believe that 10 and 11 year olds, if brought under the umbrella of the justice system, publicly denounced and placed in programs of education and rehabilitation, would be much more responsive to efforts to set them straight.

It would provide the legal tools to break the offending cycle and require the social services of public health, social work and education to deal co–operatively and resolutely with these individuals.

The Reform Party cannot support this bill. It does not represent the wishes of my constituents. Some of the members who sit across from me on the government benches represent ridings close to mine. I have received correspondence from their constituents. These constituents do not support Bill C–37 and therefore neither should their member of Parliament.

The one saving grace for this legislation is the second phase that will take place later this year. The Standing Committee on Justice and Legal Affairs will have the opportunity to hear witnesses from all across Canada as part of a 10–year review of not only the amendments to Bill C–37 but the entire Young Offenders Act.

I understand the committee will travel across the country and make itself available for all Canadians to provide input. I want to encourage the chairman of the committee to solicit witnesses from all groups and not stack the hearings with bleeding hearts as was done sometimes during the committee stage.

As well, the Minister of Justice must respect the wishes of those who provide the input for this 10–year review since these are the people who are affected most by such changes. The minister has a second chance to do what is right, namely lower age limits, deal with serious offenders in adult court, eliminate publication bans, put victims into the system and make parents responsible for property crimes committed by the youth.

Let the YOA become a short, clear statement in principle rather than a tangled act that is becoming a retirement plan for lawyers. Bill C–37 is off track and I call on the government to set it right during the 10–year review.

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, I would like to compliment my colleague on a very well delivered speech. He said some great words.

I too have had lots of experience with youth over a 35–year period. Could he explain or comment on his views of the young offender under the age of 12 at that time? How real was it and how informed and knowledgeable was that age of child, anywhere from 7, 8, 9, 10, 11 or whatever the age might be as compared to the idea now that they are not accountable?

I would like his comments on the people who were under age 12.

Mr. Forseth: Mr. Speaker, we know that common law tradition previously was that we would not put anyone under seven years of age through the criminal process. We had developed through common practice of the administration of the provinces under the old Juvenile Delinquents Act that no one under 10 years old was ever processed.

Our suggestions of changing the age of operation is to provide a better context where social services can be directly brought to bear on those who are most likely to benefit from those social services.

In this day and age of growing awareness and the sociological changes, by the time someone is 16 years old we grant them the privilege to drive a car and become an impaired driver. Yet we are going to still treat them as misguided children.

If the age in the Young Offenders Act was lowered to 10, probably most 10 and 11 year olds would never come before the courts. They would be dealt with through alternative measures. It would certainly put a flexible tool into the hands of the police for those exceptional cases that could be redirected at an earlier stage, rather than becoming a tragedy later in the system. We are saying that the basic change of operation is well rooted in criminological science and the experiences of social services in the community and is not a rather reactionary response.

• (1620)

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, I was hoping the hon. member would delve a little deeper into the alternative measures that he started talking about.

I wonder if the hon. member is looking at the same bill, Bill C–37. I draw his attention to the summary.

> This enactment amends the Young Offenders Act and the Criminal Code.
>
> The major elements of the enactment are the following:
>
> amendments to provide that sixteen and seventeen year olds charged with specific serious crimes involving violence will be proceeded against in adult court—
>
> amendments to increase the period of time that sixteen and seventeen year olds convicted of murder in adult court must serve before being eligible to apply for parole;
>
> amendments to provide that young offenders should be accountable to their victims—

This is what his constituents are requesting. In fairness, he should draw this to the attention of his constituents.

> amendments to provide for greater sharing of information relating to young offenders with persons who require such information for safety reasons.

Again, this is something his constituents are requesting. Sometimes I believe that members of Parliament are not serving their constituents properly if they do not share with the constituents exactly what is in the bill.

Mr. Forseth: Mr. Speaker, certainly I have made an effort to share what is in the bill. The mild gestures for opening up the system, for sharing of information, for example, is going to be a

most tangled provision. It is going to be very difficult to administer.

We have heard very convincing arguments that we really do not even need a young offenders law because of the charter. I have heard some rather learned people argue successfully that way.

I am saying that Bill C–37 really does not go far enough relating to the ability to take a statement or general openness. For specific and general deterrence to work the media should have access. We have a system of rules for maintaining criminal justice records. I know how difficult it is trying to keep separate files and create a fiction to a subsequent sentence in court, trying to figure out what I am allowed to tell the judge and what I am not allowed to tell the judge because of all the tangled provisions in the Young Offenders Act. I might be misleading the judge because of the social engineering aspects of it.

I am simply saying that Bill C–37 is not workable and there is nothing that can fulfil that ideal. I can give cases where the act has worked the other way and has caused harm.

As far as 16 and 17 year olds are concerned, we basically say they should be dealt with in the adult system.

Mr. Morris Bodnar (Saskatoon—Dundurn, Lib.): Mr. Speaker, it is a pleasure to stand today to deal with the Young Offenders Act in light of some of the comments that have been made, especially the comments that seem to be based on the premise that in our society youth crime is increasing.

That is not the truth. If the Reform Party is indicating that youth crime is increasing, then the Reform Party is misleading the public. It just is not true. That is the problem. Its arguments are based on a premise that is not true.

When we deal with matters such as lowering the age, what is so magical about the age of 10? If we are going to reduce the age from 12 to 10, why not 8? Why not lower it to the age when they begin to walk? Is there any problem with that?

There lies another problem. No basis is given as to why the age should be lowed to 10. I have a 12–year old child. I cannot see that child being in young offenders court. They are young and immature. Twelve–year–olds may be physically tall, but mentally they are not mature. Putting such people into the criminal justice system is not right.

• (1625)

The bill provides that young offenders can be transferred to adult court. In the proposed amendments, on serious offences, 16 and 17 year olds are to be tried in adult court unless they can convince the court that they should be in youth court. Surely there is no need for change in that area.

Removal of privacy is another factor that has been brought up. What good is it to society to reveal the name of a young offender? It will ostracise the child from the rest of society. It will ostracise the child and will restrict rehabilitation. That is not what the Reform Party wants to do. It wants to know and make it a matter of gossip that a certain child was in youth court.

There is no purpose to be gained by revealing such information. In the proposed amendments we deal with it. The information can go to the essential parties. It can go to school teachers and groups such as that so they can deal with the matter as is required.

Sentencing is the fourth point raised. Rehabilitation is to be emphasized. Unfortunately for the Reform Party they must realize that this is a matter of provincial jurisdiction. Young offenders are sentenced to facilities that are under the control of provincial governments. Some provincial governments deal with the matter differently than others.

In some provinces they simply put the young offender into a holding tank, lock the door, and release him or her four or five or ten months later. Open the door and out comes the young offender, not rehabilitated but simply better trained by prison to commit crime. That is the problem we have.

If the young offender leaves better trained to commit crime, then we have a problem because that young offender in short time becomes an adult and knows how to commit crime better. That young offender just goes through the system again and again.

Rehabilitation may be wonderful and should be emphasized by governments but it is a matter of provincial jurisdiction. They have to deal with it more seriously than they have in the past.

Reform members want parents of young offenders to compensate the victims. One has to distinguish whether we are in a civil court or whether we are in the criminal court when we are dealing with these matters. The mixing of the two does not always mix that well.

In giving the victims legal standing one has to question whether this is an offence of a youth. Is this an offence against the state as it has been traditionally in the criminal justice system, or are we now going to have everyone from a community come in and apply for standing in dealing with matters that are before the courts? This would completely uproot hundreds of years of tradition.

Certain perceptions have been raised by members of the Reform Party. According to them there are indications that crime has been increasing by young offenders, but in reality this is not so. The only area where there has been an increase in crime are those crimes classified as violent offences. However a violent offence involves a common assault, a slapping, et cetera.

The problem we have in those particular areas is that people have been reporting more of these incidents. When two young people are fighting at school, the matter is not resolved by the young people going to the principal's office or calling the parents. The matter is resolved by calling the police and charges are laid. That is how statistics get distorted and that is how statistics show that those crimes have gone up. It has not happened. That is the problem.

• (1630)

Statistics are being used to distort reality. In fact 16 and 17 year olds in our criminal justice system have been treated more harshly than adults. Sixteen and seventeen year olds in youth court who are sentenced to six months of closed custody serve every day of that six months of closed custody. They do not get paroled; they are not released early. That is different from the way adults are treated in our system today.

Another problem that has arisen is the perception that the police cannot properly enforce laws against young offenders. Of course police can. Their rights are the same as they are for adults. If they can use the same rules they use for adult criminals when dealing with young offenders they can deal with them just as easily.

The Young Offenders Act enhanced the authority of police compared to old Juvenile Delinquents Act. The police can fingerprint young persons and maintain records of prior convictions. These matters cause young people to be treated more like adults and simplify enforcement proceedings for police in dealing with young offenders.

Young people can be transferred to adult court. Under the proposed legislation and the proposed changes, 16 and 17 year olds automatically go to adult court for serious offences. The sentences for first degree murder are doubled to 10 years. That is the maximum. Of course there is discretion on the part of the judge sentencing the person.

One has to question what would be served by increasing that sentence to a further term. What would be served by having a young person who is 16 years of age sentenced to life imprisonment? What is served by that? Many of our young people who get into problems come from dysfunctional families. Many of them come from families where the parents are drunks. They are not raised with direction. They go out into the world with the problem of not knowing how to deal with it.

These are the young people that members of the Reform Party would want to throw away, lock the doors and support forever. They want a system similar to that of the state of California where more money is spent on prisons than on education. If that is what we are going to do we have a problem. We cannot let that happen to the youth of this country. We have to help them get rehabilitated. We cannot lose faith in the youth.

Another problem we have is that anyone who tries to show that a system works or has worked over a period of time is immediately accused of being bleeding hearts.

In discussing these matters with prosecutors who have prosecuted in the field they have indicated the Young Offenders Act works well. These prosecutors are Canadians. They are in the system all the time. It is only when Canadians are given misinformation that they have different opinions. When they are given the facts they agree that the Young Offenders Act basically works well.

Most violent offences are not committed by youth. Adults commit 86 per cent of violent crimes. Of the approximate 14 per cent committed by youth, half are what we classify as common assaults: a slap or a punch. Those are the facts. Over 57 per cent of property crimes committed by youth are thefts. The majority of those are theft under $1,000. In other words most of them are offences such as shoplifting.

• (1635)

Let us not distort the facts. These are the facts. With these facts we have to look at the Young Offenders Act to determine whether it was working properly. I suggest the act is working very well.

In the past police often decided that charges should not be laid, especially for first time offences by young offenders. They would take the young offenders home. They would take them to the parents. The young people quite often were more embarrassed than anything. That would end the matter. That is not the way it is dealt with now. The young offender is apprehended on an offence, a charge is laid, the youth is then taken into court and the matter is dealt with in the court system.

I am not criticizing that maybe that is not the way it should be dealt with, but that is how statistics are built up. They are built up in particular areas when they should not be. As well there is an increasing willingness to report offences in the school system instead of schools taking care of matters as they have in the past.

We can all recall years ago when there would be a fight in a school yard and the principal, at least in my school, would take matters into his own hands. He would take the young people to the office. The odd one got the strap. The odd one was kept in detention. The police were not called. The way it is now the police are being called to lay charges, which is distorting the facts.

However the proportion of all persons charged from 1986 until now has remained virtually unchanged. There is not this huge explosion of an increase in crime by young offenders. It just has not happened. It only appears to have happened when distorted facts are given to the public. That has not happened. Since it has not happened we have to inform the public of the facts.

Fourteen per cent of young offenders were charged with violent offences in 1992. Almost half of those offences were equivalent to very minor assault charges. None involved weapons. The offences resulting in the most serious of personal injuries amounted to approximately 2.4 per cent. We are hearing this large furore over the way matters are being dealt with or should be dealt with. The number of youth charged with break and entry has actually decreased. It was lower in 1992 than it was in 1986. These are the facts.

The Young Offenders Act must be doing something right. Something is working. We have to fine tune it in particular areas and that is what we have endeavoured to do by increasing the sentences for teenagers convicted of first and second degree murder in youth court to ten years and seven years respectively. We hope that we have been able to deal with the matter in giving the system flexibility.

Rehabilitation was raised by the member from the Reform Party. Rehabilitation is an important factor. However rehabilitation quite often commences in the jails because the youth never got an earlier chance. They never learned how to get up in the morning. They never learned how to go to work in the morning. They never learned how to take care of their room. They never learned personal hygiene. They never learned basic things like knowing how to work. They never learned how to clean anything. They never learned how to do any basic jobs. These are matters that have to be learned and these are required parts of the rehabilitation scheme. We cannot do this by simply opening a door, throwing youth in, locking the door behind them and forgetting about them until their term is over.

I must admit that it would not hurt if some of the parents were given the same treatment because many of them do not know how to get up in the morning. Many of them have not taught their children because they have not known how. They are going through a vicious cycle. It is going from generation to generation in that direction. It has to be halted. The Young Offenders Act goes as far as we can go in halting it. The provinces have to take over at a particular point.

• (1640)

This is not bleeding at all. This is simply common sense. I wish it was incorporated at times in the comments being made about young offenders. Common sense plays a part and certainly goes a long way in remedying some problems that exist.

Some young offenders who are violent need extended periods of time in incarceration. That is what we are dealing with in the Young Offenders Act. This provides a chance to rehabilitate them in the institutions where they are placed. Once that is done it is up to the provinces and the workers working with them in the institutions to take over rather than advocate the holding of young people for prolonged periods of time.

In the proposals dealing with transfers to adult court we have done what many people in society have wanted. They have wanted young offenders in extremely serious offences to be tried in adult court. If those young offenders can convince a judge and demonstrate that the objectives of the protection of the public and rehabilitation can be met in youth court then they remain in youth court but only then. The young offender who has committed 10 or 15 break–ins will not be in youth court. He will be in adult court. The person who continuously repeats offences will go into adult court.

These are important factors to be dealt with. We have dealt with them in a responsible manner. The amendments are before Parliament so that the courts will eventually have more flexibility in dealing with these matters and dealing better with these matters.

The sharing of information and records is important. We do not demonstrate to the world what the young person's name is. There is no purpose in that. We do give it to the right people to be dealt with for the purpose of protecting the public such as school officials and child welfare agencies. There are people who should have the information. Such information when released is important. We have balanced the interest of the child and the interest of society by doing what we have done.

The amendments we have proposed at this time certainly meet many of the requirements of the Canadian public. The Canadian public has wanted some changes. We have come up with those changes. They are responsible changes in attempting to fine tune portions of the legislation that had to be changed. We have done this.

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, I listened with rapt attention to the hon. member's discourse. When hundreds of thousands of Canadians are voicing their opinion that the Young Offenders Act needs serious reform or serious overhaul I find it absolutely astounding a member would claim as he just did that "the Young Offenders Act is working very well".

The hon. member derided the use of statistics, yet he himself went on to use statistics throughout his presentation over and over again to try to prove his own personal bias that the Young Offenders Act is working very well.

I would like to ask the member, in as few words as possible, if he feels therefore that young offenders who reoffend over and over again should be held accountable? He said that somehow it was their background, that they came from dysfunctional families. They have all sorts of societal reasons why they commit crimes and why they break the law and have no respect for it. If it is always someone else's fault how do we hold these people accountable?

• (1645)

Mr. Bodnar: Mr. Speaker, when we are dealing with repeat offenders who recommit offences over and over again, quite often we are dealing with a very small proportion of the members of the young offenders group who commit these offences.

Of course there is a need for rehabilitation. Quite often the reason they are committing these offences is that there is nothing for them in the institutions in their provinces that prevents them from doing it or rehabilitates them in any way. If nothing is done the only problem and the reason they recommit and get caught is that they were not trained well enough the second time. They are out, caught again, go in again and recommit. That is the problem we have.

Of course people do not want to be just in jail. They do not want to be just in jail for the sake of being incarcerated. That is not what they want, but they have not learned a different way of life. We have to realize this and become realistic in this direction.

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, I have a couple of questions to ask the hon. member. I would like to comment on the 14 per cent of crimes being committed by youth; 12 to 17 year olds if I am not mistaken make up 14 per cent of the population, so that balances out pretty well.

Recently I went on a ride along in several places with police throughout the country, not just in one or two places. I witnessed the police dealing with youth on a few occasions. On many occasions there were no charges brought forward. Rather, the police dealt with the situation. They contacted parents and charges did not follow.

If charges were being made at a ridiculous pace to include school fights et cetera, I would have thought from those nights I was involved that there would have been a real increase in crime. However, there were no charges brought forward. I wonder what basis he has to show this House that is happening, that school yard fights are being reported. Where does he get his information?

I know at my school in my district of many schools, never once were the police ever called. That was until 1992. Never once were they called for a school yard fight. As far as I know, to this day they have never been.

He said that some provinces throw them in the clink for four to ten months and then just let them go. I would like to know what provinces these are and where he got his information.

Mr. Bodnar: Mr. Speaker, I can speak fairly well from personal experience. Rehabilitation does not really function in the province of Saskatchewan. That is because money is not being put into the system to properly rehabilitate individuals.

The whole question indicated by the hon. member for Wild Rose of the number of people young offenders represent being 12 to 14 per cent of the population and therefore committing 12 to 14 per cent of the offences verifies the fact that we do not have this explosion of offences among young offenders. It has not occurred. It is not occurring. I am very pleased the hon. member for Wild Rose has just verified that fact for me.

Mr. David Chatters (Athabasca, Ref.): Mr. Speaker, I would like to ask the member where he is getting his statistics from. I have statistics from the Canadian centre for justice statistics showing that since 1962 the rate of young offender offences has risen by over 300 per cent.

Since the introduction of the Young Offenders Act in 1982 the incidence of young offender violations has risen some 117 per cent. There was a small drop between 1992 and 1993 of 3 per cent. At the same time young males between 15 and 25 in our population dropped by 14 per cent.

I do not know where you are coming from. There is an explosion of youth justice, looking over the last 30 years. The Young Offenders Act simply is not working. Where are you getting your figures?

The Deputy Speaker: I would ask hon. members to put their questions or comments through the Chair.

Mr. Bodnar: Mr. Speaker, I rely on that most unreliable authority called the John Howard Society which indicates that the youths charged as a percentage of all persons charged in the period 1986–92 has not increased.

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, when characterizing how young offenders are placed in custody in Saskatchewan, the hon. member made a description something like open the door, put them in and then let them out.

• (1650)

I will be contacting the attorney general of that province and I will be getting the information about the millions that province is spending on juvenile offenders for social programming while they are in custody. Millions are being spent across Canada by every province. The federal government has a tremendous share of that cost sharing program.

We are doing a lot to provide social services and community resources to those who are in custody. It is an awful thing to say that in any province in Canada they would treat young offenders in the way that he is describing.

Mr. Bodnar: Mr. Speaker, I can facilitate matters for the hon. member since I live about three blocks from the youth detention centre in the city of Saskatoon. If he wishes to come to see it,

contact me and I will arrange matters for him. If he wishes the attorney general's phone number it is in Saskatoon under his wife's name.

[*Translation*]

The Deputy Speaker: It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Frontenac—customs tariffs; the hon. member for Québec–Est—social housing; the hon. member for Cariboo—Chilcotin—citizenship and immigration.

Mr. Gilbert Fillion (Chicoutimi, BQ): Mr. Speaker, right off the bang, I am going to tell you that the Bloc Quebecois' position on Bill C–37 is that it is repressive and loses sight of the ultimate goal of all criminal laws: crime prevention and the rehabilitation and reintegration of offenders.

The bill will in no way contribute to stopping young people from committing criminal acts. Ottawa is going down a dead–end street, as far as Quebec is concerned. Quebec is to assume responsibility for administering the system. Our recommendations have once again been overlooked. This is yet another good example of the struggle between the legitimate goals of Quebec and those of the rest of Canada. Once again, the bill demonstrates that the federal regime has failed.

As I already said in this House when speaking about the same issue last June, I am very concerned about the situation our young people find themselves in. I am sure that many of us are also concerned, but I am less sure of what we want to do to help them.

For over 34 years, I worked with young people as a teacher in a comprehensive school. I got to know many thousands of young people, and I can assure you that the image we tend to have of them is not always true to life.

Of course, there are a few who stick out from the others because of the way they dress, because their hair is the colour of the rainbow, or unfortunately because they commit reprehensible acts.

I think it is important to remember that the current Young Offenders Act has a very special philosophy. This policy is to help and supervise young offenders, unlike Bill C–37, which tells us that young offenders must be punished. This bill caters to the feelings aroused by extreme cases, while the notion of educating, helping and supervising young people is totally forgotten.

• (1655)

The policy statement behind this bill refers to rehabilitation and social reintegration, but what about prevention? Where, in this bill, is the word "prevention"? This is a repressive bill. One of the things that strike me the most is that 16 and 17–year olds who commit serious crimes will now have the burden of proof as to whether they will be tried in adult or youth court. This makes all the difference.

I really wonder why we should favour such an extreme solution and whether it is really necessary. Under the existing legislation, a young person charged with a serious crime may be tried in adult court. This provision is used by crown attorneys when a thorough review of the young person's record by several people shows that he must be tried in adult court.

Do we really need to amend the existing legislation, when it already allows us to transfer records from youth court to adult court? We cannot afford to move toward automatism. By virtue of his age alone, a young person may now face trial in adult court. This bill raises many questions, including the following: Is a 17–year–old first time offender who injures someone while committing a robbery more of a criminal than a 15–year–old who has committed close to 100 burglaries? It is a question.

Please, let us be a little realistic. Again, it is not a matter of age. It is a matter of prevention and education. I will tell you that in my riding, for example, in January, a young man was sentenced to imprisonment for incest. His own father had gone to jail before him for the same offence. As incredible as it may sound, for this young man, incest was a normal thing. Would you not say, Mr. Speaker, it is high time we take our responsibilities as adults and as a society?

Let us stop burying our heads in the sand and delude ourselves into believing that by offloading on the judiciary, we will resolve the youth crime issue. What I mean by taking our responsibilities is giving our young people reason to have faith in the future, because we know full well that the causes of youth crime are many.

The example I gave earlier is but one of many. Other factors are drugs, movies where violence is pervasive and so on. Again, let us take our responsibilities and unite against poverty and dropping–out. Yes, let us fight together against poverty and dropping–out. Furthermore, let us provide parents and, in their absence for whatever reason, the various officials involved with means to show young people that there is nothing wrong with being young.

• (1700)

When a young person has the misfortune of committing a crime, our reaction must certainly not be to throw him or her in jail, because we all know—and no one can deny it—that jail is a breeding ground for criminals. Moreover, it is clear that custody has no deterrent effect.

Our youth should have rights, including the right to be better provided, better provided with the services of experts and better provided with shelters if need be, but certainly not with adult jail as the only alternative.

The Young Offenders Act, as it stands, contains very strict guidelines relating to the maintenance of records on teenage offenders. Access to these records is restricted. However, in this

bill, the confidentiality aspect has been set aside completely. What is this supposed to achieve? I have no idea.

Bill C–37 proposes to disclose information on a young offender to representatives of the school system and other unspecified persons. I find this part of the bill very disturbing as well.

Last week, *Newsweek* reported that the U.S. justice system was using shame as a deterrent. Young people who had committed a crime had to ask their parents and their victims for forgiveness in front of the television cameras, to show they really felt remorse. Furthermore, the nature of the offences and identity of young offenders could also be disclosed in church.

Bill C–37 mentions revealing the identity of young offenders. It proposes to disclose information on young offenders to representatives of the school system and other persons concerned.

Again, who are these other persons? Are we going to follow the American model? Will announcements during high mass be next? This is absurd.

We can hardly expect a young person who has committed a crime to rehabilitate himself when he is acutely aware that so many people know his identity and what he did.

How will young people react when they see their privacy invaded and their record made public knowledge? We must stop punishing and looking down on people, and we must try to help our young people who, need I repeat, are the future of our society. Give them a job, because that is how they will regain their self–esteem.

On May 5, the Liberal Party of Quebec—yes, the Liberal Party of Quebec—and the Parti Quebecois agreed to move a motion in the Quebec National Assembly demanding that the federal legislation on young offenders comply with the laws and policies of Quebec with respect to youth protection.

This agreement was possible because Quebecers are aware of the need to protect the rights of the child.

In Quebec, the experience of the last fifteen years has shown that prevention, rehabilitation and readjustment are far more effective than repression.

• (1705)

We are trying to find out the causes of delinquency instead of using custody as the only deterrent. Of course, this will not solve all problems. There are a number of obstacles. The system is not perfect. Sometimes prevention and rehabilitation are not enough. On the whole, however, the approach taken by Quebec is more effective in protecting young people. How could a bill like the one before the House today ignore this fact? Should the minister not take advantage of Quebec's experience and show the rest of Canada that repression and intolerance will undoubtedly aggravate problems instead of solving them? I repeat: Young people are the future of our society. It is up to us to help them.

In concluding, you may recall that we as adults have certain responsibilities. One of our poets, Paul Piché, explains how we have an impact on the next generation. If I may, I would like to quote a passage from one of his songs: "Children are not really, really bad. They may misbehave, from time to time. They can spit, lie or steal, but after all, they can do everything they are taught".

[*English*]

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, in one of his comments my colleague said we should look for the causes rather than lock up those who offend. There are so many cases today where young offenders do offend repeatedly. I would like to ask him whether at some point it seems a logical conclusion to lock up an individual. Whether the individual goes to a prison where adult criminals are is another question.

I would also like to ask him about his concept of looking for the causes when there is a young offender. I would also like to find out whether he thinks the publishing of young offenders' names is something that is relevant in the case of an offender or would he be more on the side of looking for the causes as well as opposed to some of the solutions to the young offender problems we have?

[*Translation*]

Mr. Fillion: Mr. Speaker, I thought what I said was fairly clear. First and foremost, we must find out the causes of crime. Environment is everything. When the environment is a healthy one, we give our young people every opportunity. If they do not have every opportunity, there comes a time in their life when they may well do something wrong. On the other hand, are they always to blame for such action? When the parents are not home, when there is no money and no work, these are all factors.

As to the second question, about identifying, publishing the names of offenders, I am totally against it. This is not the way to remedy things. Let us give our young people access to people who can look after them, experts in various areas, places to stay where people will listen to them and where they can go and talk about their problems.

• (1710)

Let us listen to their demands. You will see that, if we keep listening to them and giving them work, pride will come out on top, and the crime rate, although dropping now—it was at two per cent in 1992 as compared to five per cent in previous years—will continue to drop.

[*English*]

Hon. Warren Allmand (Notre–Dame–de–Grâce, Lib.): Mr. Speaker, as chair of the justice committee which made a thorough study of this bill I would like to make a few comments.

The bill was referred to the justice committee on June 23, 1994 and was subject to hearings until December 8, 1994. Over that period of time we heard from 42 witnesses, groups and individuals from all walks of life. We heard from victims' groups, groups of offenders and ex–offenders, experts from the correctional service, witnesses from children's aid societies, witnesses from police forces, judges, bar associations, psychologists, sociologists, school board officials and representatives from the provinces. We had a very wide range of input into the work of the committee. I want to congratulate and thank members of the committee for their co–operation over those months when we had hearings on the bill.

The bill dealt with a very limited number of issues. To begin with, it added to the declaration of principles with respect to the Young Offenders Act. It pointed out in section three that crime prevention was essential to the long term protection of society and affirmed protection of society as a principal goal of the law. It also affirmed that young persons must bear responsibility for their actions and for their contraventions, although not in the same way as adults. That is one of the main reasons we have the Young Offenders Act.

The bill also dealt with transfers to adult court. Under the present law which deals with young persons from 12 to 17 years of age inclusive, a youth aged 14 to 17 can be transferred to adult court on an application from the crown for certain serious offences. The youth court will make the judgment as to whether the young person will stay in youth court or will be transferred to adult court. That is the law as it exists at the present time.

Under Bill C–37 a change is proposed whereby those who are 16 and 17 years old would be transferred automatically to adult court for certain serious crimes of violence against the person unless the young person makes an application to the court not to be transferred to adult court. That is a sort of reverse burden of proof which is being put forward in this particular bill as opposed to the present law.

The bill also deals with the penalty for murder. It would increase the penalty for murder for young offenders tried in the youth court to ten years for first degree murder and to seven years for second degree murder. At the present time the maximum penalty is five years.

The bill also provides for victim impact statements at the time of sentencing of a young offender.

It also provides that for treatment the consent of the young offender must be obtained. Under the present law treatment can be ordered for the young offender without his or her consent.

• (1715)

Another principal change the bill makes is to leave the decision with respect to open or secure custody with the provinces when the provinces have set up offices to deal with that.

Finally, the bill would provide for a greater publication of youth offence records, in particular the publication of the names of young offenders who have committed certain offences. Under the present law this dissemination of information is highly restricted.

Bill C–37 would allow for a greater dissemination of that information to people in positions of trust and administration, in schools and other places where young people study or work, so that there would be greater protection for the public.

More or less those are the changes that Bill C–37 would bring in with respect to the Young Offenders Act.

As I pointed out, during the hearings on the bill we heard from a great number of people, approximately 42 individuals and groups. I must tell the House that the great majority of those who appeared before the committee did not want us to proceed with Bill C–37 until we did a general review of the act such as was proposed as phase two of our studies.

The House will recall that the Minister of Justice, when referring this bill to the House and to the committee, stated that he also wanted the committee to do a complete review of the Young Offenders Act since it had been in force for 10 years. He wanted us not only to study every aspect of the law, but also the resources available to administer the law and the situation with respect to youth crime in this country.

A great majority of witnesses said: "If you are going to do that overall, comprehensive general study, why legislate in these few particular areas right now? Should you not complete your broad, general study and then make a judgment with respect to those matters once that study is completed?"

That made sense to many members on the committee, but to the majority it did not. The committee decided that despite these pleas it should carry on with the consideration of Bill C–37, principally because during the election campaign, the government had made a commitment to bring in those very specific changes. It felt those changes should be legislated right now despite the fact the committee was going to undertake a general study as phase two of its work.

The committee did proceed with Bill C–37 and reported back to the House and the bill is now before us. At the end of our hearings we did make 28 amendments. Most of those were technical amendments. They were corrections in the wording, improvements in the expression of the law, improvements in the

French translation. However, there were a couple of substantive amendments among the 28 that were made by the committee.

One substantive amendment was to change to a certain extent the new transfer provision. I mentioned that Bill C–37 provides for automatic transfer of 16 and 17 year olds, unless the 16 or 17 year old can make a case before the court that they should not be transferred to the adult court.

An amendment was made in committee. It was agreed that it would not be necessary to hold such a hearing and go to the expense and the time consuming process when the crown attorney agreed with the defence attorney that the young person should remain in youth court despite the fact that the individual may be 16 or 17 and had committed one of the serious offences referred to.

Another amendment of substance was to curtail somewhat the dissemination of information that was provided for in Bill C–37. While Bill C–37 will now provide for greater information to the public with respect to young offender records than under the present law, it will not go as far as Bill C–37 would have gone in the first instance.

• (1720)

During this debate over the last few hours and when the bill was before the House at report stage, some members especially some of those from the Reform Party, have charged that the Young Offenders Act is a failure. They have charged that youth crime is out of control and that the Young Offenders Act is to blame for that increase in crime among youth.

As a matter of fact, some have blamed me, as one of the original authors of the Young Offenders Act, for this state in our country. They blame me for what they consider to be an increase in youth crime and for the failures of the Young Offenders Act. I want to respond to that.

To begin with, youth crime is not out of control and has not increased in Canada. The incidents of youth crime have not increased. As I pointed out the other day at report stage on the bill, the greatest number of homicides committed by youths 12 to 17 years of age was 68 in 1975. That was before the Young Offenders Act. The lowest number was in 1987 when there were only 35. With respect to homicides, there was a much higher number committed by those 12 to 17 years of age before the act and the lowest number was committed after the act came into force.

One could give even more precise statistics. For example, in the period from 1974 to 1978, a four–year period prior to the Young Offenders Act, there were 60 charges for murder laid against youths in Canada. From 1984 to 1989 which is a five–year period after the act, there were 40 charges. One could go on and on.

Of course, a certain phenomenon has been taking place which has led to an appearance of increase in statistics. That is what might be called the zero tolerance approach in many school board districts. School authorities now call in the police whenever there is a fight or a disruption in the school yard. In the past, when those sorts of incidents took place, the principal might call in the young people involved and discipline them, call in their parents and do something about the incident, but criminal charges would not be laid.

Now in those ordinary types of assaults in the school yard, charges are being laid in many jurisdictions. Therefore of course the statistics for charges laid has increased but the number of incidents has not. As a matter of fact, the trend has been more or less the same with respect to those kinds of assaults over the years, both before and after the act.

Let us be absolutely clear. I can refer to many documents. There is a fact sheet put out by the John Howard Society on youth crime. The title of the bulletin is "Youth Crime: Sorting Fact from Fiction". It goes into much detail and deals with violent crime rates with respect to youth over the years. There has not been a substantial or significant increase in crime with respect to young persons. As a matter of fact, as I pointed out, there were much higher rates of youth homicide before the act than there were after the act.

The act has not failed. The act is the same one from Newfoundland to British Columbia. It is the same act in Windsor, Ontario, as it is in Tuktoyaktuk in the Northwest Territories, but it is administered very differently in the different provinces and in the different territories. In some provinces and territories there is no trouble with the act; in other provinces and territories there are problems with the act.

• (1725)

I must ask, are the problems attributable to the provisions of the act or the way in which the act is administered? It so happens in some provinces such as my province of Quebec a great deal of resources, much more than other provinces, are dedicated to the administration of this act and to dealing with the causes of youth crime. There is much greater satisfaction with the act in the province of Quebec than there is in certain other provinces, but it is the same act in Quebec as it is in Alberta, as it is in Manitoba, as it is in New Brunswick.

The act is not the cause of youth crime where it does take place. I do admit there are still some horrible youth crimes taking place in this country. The perception of those youth crimes is way out of proportion to the number of crimes which are actually taking place.

In any case, the act is not responsible for the crimes. There are causes for those crimes and it is there that we must direct our attention. We must also accept the fact that there has been very uneven administration of this act across Canada and very uneven dedication of resources, both human and financial, to the whole area of youth offenders and youth delinquency.

If that is the case, if the act is not responsible for those crimes which do take place, then simple changes really will not reduce the level of crime. To suggest to the Canadian population that we are going to change section 5, or section 8, or section 25 and all of a sudden there will be a panacea and we will reduce crime is to mislead the public.

If we are serious about reducing youth crime where it does exist in Canada then we must dedicate resources to the causes of that crime, whether it is broken families, whether it is alcoholism, whether it is battered children and battered mothers, whether it is drug addiction and the trafficking in drugs, whether it is the lack of employment, the lack of recreation opportunities, latchkey kids who have nobody to come home to, a whole range of things. If we are serious about reducing the rate of youth crime, a simple amendment to the law will not do it.

However putting our minds to it and putting some resources and care into it at the level of the causes at the community level might do it because where that has been done there has been more success and less youth crime. We only delude ourselves and the public by suggesting that a few changes here and there to the act will substantially change the situation.

I want to absolutely rebut those suggestions. I am sure we will hear them again, especially from the Reform Party. We will hear that youth crime is out of control, that it has substantially increased, that the cause of that youth crime is the Young Offenders Act which is a failure. Well it is not a failure and it is not out of control. However, there are still some serious cases of youth crime in this country and if we are serious about this issue we should direct our attention to those causes.

In conclusion, I want to say that this bill has some worthwhile changes in it and they should be supported. There are other changes which I find doubtful. I will nevertheless support the bill with the understanding that when we do our phase two review we will re–examine everything that we have done under Bill C–37 as well as the entire Young Offenders Act.

As chair of the justice committee, I give lukewarm support for this bill because I feel it is a mixed bag. It has some good sections that are worthwhile. It has others which are doubtful. However we are going to have a chance to do a complete review of the act within a few months.

It will not be just a complete review of the act but a complete review of the administration across the country of the facilities for correcting young offenders, the probation systems, the secure custody systems and so on, and also the nature, level and status of youth crime in Canada. We are going to do all those things in the committee later this year. Therefore, I will reserve judgment on those matters until that time.

• (1730)

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, the YOA is not the cause of crime. I do not think there are any qualms about that. I know we have been accused of saying that it is the cause but that is not the case at all. There are a number of causes. I agree with the hon. member there are causes that have to be addressed. We must address the causes in any way we can. We involve the provinces, social service and every aspect we can.

When we are trying to eliminate the causes and are doing a good job and somebody crosses the line and breaks the law anyway by committing murder, we say that the YOA is not doing its job of performing justice. The word justice is missing from our system in a number of ways.

I received 15,000 letters in one day that I will be delivering soon to the Minister of Justice. There are another 5,000 to 6,000 letters that I received in my riding and in Ottawa. I am sure every member has received letters that ask us to do something about young offenders. The government continually sits over there saying that it is all right, that Canadians like what they are doing, and that the act is good. That is baloney.

When will the government recognize what people are saying out there? It should pay attention to Canadians. The Young Offenders Act is not satisfactory to Canadians. Why does the government continually deny that? I know the member receives the same letters I do.

Mr. Allmand: Mr. Speaker, at the beginning of his remarks I thought my good friend from Wild Rose was more or less agreeing with me. However at the end of his remarks I knew that he was not.

He asked a question and it is a serious question: What do we do with an a young person who commits a serious crime of violence after all has been done to prevent crime and all has been done to direct our attention to the causes of crime? Of course the individual has to be sent to secure custody. In some cases we would probably send him to adult court and to adult prison if the case is serious enough. The law provides for that and I support that.

However let us remember that justice in my view means protecting the public. It does not mean revenge. It does not mean an eye for an eye, a tooth for a tooth.

In our system the overwhelming majority of youth as well as adults who are convicted will be sent back to society. If we are really concerned with protecting the public, which I believe is the purpose of the justice system, we must do everything possible with an individual in our control to rehabilitate the person and to make sure that when the person returns to society he or she will be a safer risk for society. We are not going to keep that person in prison until he or she dies. We do not have

capital punishment. We are going to release the individual sooner or later, whether it is five years, seven years or ten years.

The hon. member asked what we should do. Yes, we should keep the person in custody if the person is a young violent offender. However we should work on the individual to give him or her a sense of worth, to give him or her a trade or an education, to make sure the person knows how to deal with the problems of life when released from prison, to make sure the person has contacts with family if there is family, and so on. We should build up a situation so that the person returns to society a better risk than when he or she entered the prison system.

That is what I believe. I believe in protecting society. We must dedicate our resources when the person is in secure custody or open custody to doing everything possible to rehabilitate the young person so that he or she will be better off upon return to society.

Mr. Arseneault: Mr. Speaker, I rise on a point of order. My understanding was that during questions and comments we would rotate between the established parties present. I am wondering whether or not that is the practice.

The Deputy Speaker: My practice is to give the opportunity to an opposing party of the member speaking unless there is nobody rising from an opposing party. In my experience powder–puff questions tend to be put by a member of the same party.

• (1735)

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, I would agree with that. Powder–puff has been here today.

Mr. Arseneault: Mr. Speaker, I rise on another point of order. I hate to say this but I take exception to your statement about my question being a powder–puff type of question. I had a comment to make on the bill. I think the point you made should be retracted.

The Deputy Speaker: The comment was not addressed to the particular member. It was addressed to members in all parties in all situations.

Mr. White (Fraser Valley West): Mr. Speaker, I can assure the member that this will not be powder–puff.

The hon. member talked about not blaming the Reform Party and not blaming him. I do not think that is the case at all. After all he is only a one–one hundred and seventy–seventh part of the problem.

There is no misleading the public at all. There is a genuine concern for law–abiding Canadian citizens. My hon. colleague read demographics and statistics from various documents. He quoted the John Howard Society. I would like to quote a few items from Victims of Violence that has a big stake in the bill.

According to Victims of Violence youth crime is up 117 per cent since the Young Offenders Act took effect in 1984: 25 youth committed first degree murder in 1990, 23 youth committed second degree murder in 1990 and 6 youth committed manslaughter in 1990.

I suspect the member would say that is not very many. However the fact is that there are strings of victims in the wake of what is going on here. When one crosses the line, as the hon. member for Wild Rose has said, there must be an act in place to effectively look after that.

I would like to ask my hon. colleague this question. If he looked at the statistics from Victims of Violence, would he not agree that the tougher the measures for those who cross the line the better and more effective the fixing of the problem would be rather than looking at it from his perspective which is in my opinion is powder–puff?

Mr. Allmand: Mr. Speaker, the statistics I referred to come from the Canadian Centre for Justice. We had the Victims of Violence group before us in the committee. I do not know from where it got its figures.

There is no doubt there are still some serious crimes in the country. I deny that there has been an increase in violent crime among youth over the years. When we look at the statistics from the police and from the Centre for Justice statistics they show that is not the case.

Despite that I sympathize with the public that is seriously concerned with youth crime, whatever there is. He asked if it was not better, once they crossed the line and committed serious offences, to have tougher measures.

I do not agree with that and I will tell the member why. I do not agree with it because it does not work. They are doing it in the southern United States: three strikes out and you are an outlaw. They have a much higher rate of crime than we have in Canada.

The southeastern state of the United States have brought back capital punishment and have mandatory sentencing. They execute somebody in the morning and they have three or four murders in the afternoon. The countries doing exactly what the member is suggesting have the worst rates of violent crime in the western world.

What the member is suggesting has led to no improvement in the situation. That is why I am not for it. A much better approach is the approach being used in western Europe in countries like Holland, Sweden, Denmark, Norway, France, Germany, Italy, et cetera, and in Canada to a certain extent. It is to concentrate on the causes of crime, to concentrate on rehabilitation and correction, and not simply on harsh, hard, long penalties that do not protect the public. If they did protect the public we would be able to walk the streets freely in Miami, Dallas, New Orleans

and many other cities which we cannot do simply because they are doing what the member suggests.

• (1740)

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, I appreciate the opportunity to add my thoughts and concerns on the Young Offenders Act and Bill C–37 to the debate.

I would like to begin by sharing a letter from a constituent who writes:

> Last week my neighbour's son was physically assaulted in the hallways of his high school, not by a teacher or a fellow student but by a youth gang member who walked in off the street. The kids call him the "enforcer". Apparently my neighbour's son had asked the wrong fellow to stop spraying rocks when he spun out of the parking lot. This less than courteous driver had gang membership connections and sent for the "enforcer" to beat him up.
>
> I realize that changing the Young Offenders Act won't solve all our problems, but it would be a very good start. All of society has to take responsibility for putting an end to violence through long term teaching and learning in our education system. We must begin to give the message that the rights of victims will be protected more than the rights of criminals. The youth of today are laughing at our judicial system.
>
> The RCMP advised my neighbour to press charges even though he said it would take up to 18 months to go to trial and the kid would only get probation. This type of youth thinks probation is something to brag about. We need to do more than slap wrists. We have to stop this senseless violence.
>
> Surely the government can act to change the present state of our judicial system. An overhaul is long overdue. The rights of the average law–abiding citizen of Canada need to be protected now.
>
> As for my neighbour's son he is on a waiting list for a head scan as they feel the bone fragments in his head could cause permanent damage. The doctor said this was not a school kid fight but a serious attempt to do permanent damage. How many more young leaders of the future have to be maimed or killed before changes to our laws are made?

That sentiment is echoed by many letters. I am sure I am not the only MP to receive those types of concerns from constituents.

This one school yard incident illustrates much of what is wrong with our youth justice system today: youth gangs, physical assault, fear in the school yard, misplaced value systems, increasing levels of violence among youth, lengthy delays in our youth detention centres before going to trial and overcrowded courts, lack of respect of youth for the justice system, and inadequate penalties for repeat and violent young offenders.

When I speak about school yard violence I have to relate it to my own situation. We can all appreciate that as we grew up we were confronted with bullies. I know in my case my father said: "At some point in time you just have to stand up for yourself. The only language bullies understand is to meet force with force, or you will just keep getting pushed around".

I have a young son who will be 12 years old pretty soon. I hear in the news about young children getting stabbed at school or getting kicked in the head. I see some members opposite laughing about this. I do not understand how they find it humourous. I am very concerned about when my son will come to me for advice on what to do about bullies in the school. I do not know if I should tell him to stand up for himself against a bully who might bring a knife to school the next day and stab him or kick him to death.

Something has to change. Bill C–37 begins to address some of the problems but I do not think it goes nearly far enough. We cannot afford to tinker with our justice system. We must look at what works and what does not work. We must have the strength and the confidence to change what must be changed.

One out of every two young offenders who passes through the system will commit another offence. That is far too high. Obviously our current system is not working.

One significant problem that must be addressed is the enormous time delays between the commission of a crime and the court date. In some jurisdictions it takes from six months to a year. In Prince George it can take up to 18 months, and that is not acceptable. How can young offenders think we take their crimes or rehabilitation seriously when it takes so long to get their cases to trial? All too frequently if left at liberty youths will reoffend while they are waiting for their court appearance.

• (1745)

According to justice statistics in 1993–94, 9 per cent of the youth court cases dealt with young offenders who had not complied or had failed to appear for previous court dates. However, if the youth is held in a youth detention centre pending trial, they are subject to physical, mental, emotional abuse by other more violent young offenders. This is not fair either to any youth.

A lengthy stay in such an environment is not conducive to learning more socially acceptable behaviours. Eliminating trial delays must be a priority so young offenders are placed into programs appropriate for them sooner, whether community service or the so–called boot camps.

Another serious flaw of this bill is that it does not apply to 10 and 11 year olds. Child protection services in most provinces do not have the resources to meet the needs of every child they know is at risk of criminal activity. They know once the youth is finally arrested at age 12, additional resources might be available within the young offender system.

According to a preliminary study on youth gang activity done for the Solicitor General, gangs are recruiting young children to transport drugs, break into houses and rob commercial property. Children under 12 are re–enacting the violent behaviour of older juvenile delinquents in the school yard. Twelve is obviously too late.

We must get these children into the system earlier, giving them appropriate counselling, structure and values before they become set in their criminal ways. They must learn as early as possible there are always consequences for one's actions, if you're old enough to do the crime, you're old enough to do the time.

Our justice system needs to distinguish between young, first time offenders who commit minor crimes and those who engage in habitual or violent criminal behaviour. Everyone deserves a fair chance to mend their ways, to learn responsibility, accountability and a new sense of purpose.

Many of these first time offenders are trapped in dysfunctional or abusive families. Some are poor or have learning disabilities. They have low self–esteem and are looking for a way out of their cage. Some turn to a youth gang for security. They steal something to boost their own confidence, to impress their peers or simply because they are looking for help.

Our youth justice system must recognize these kids and provide them with a sentence appropriate to their needs to guide them back to the straight and narrow. That does not mean we allow them to blame their background or society for their actions. It does not mean we put them into counselling and ignore their crime.

The first step on the path to becoming a responsible citizen is to accept responsibility for one's own actions. They must be held accountable. If they are sentenced to open custody, part of that sentence must entail reparations for the damage they have done. In some cases it might mean picking up garbage. In others, more difficult work such as planting trees.

If they are going to be successful, community programs must be tailored to the needs and the punishment of the particular young offender. We must differentiate between those who deserve a chance with a lighter sentence and others who have repeatedly demonstrated they have no respect for our laws.

Despite what some advocates would have us believe, not all young offenders who commit non–violent property offences are harmless. Many are already habitual criminals with no moral conscience and a warped value system. They do not understand why they should respect the lives and property of other Canadians.

These youth need to know the punishment for their crimes will not be a slap on the wrist like raking leaves at the local park on weekends. These youth need a stronger reason to think twice before stealing another car. We need to strike a balance between deterrents and accountability, between punishment and rehabilitation.

Under Bill C–37 sentences for young offenders are inadequate and uncertain. It fails with respect to habitual delinquents. For property offences Bill C–37 advocates open custody. If a youth commits a property offence, the onus is now on judges to justify sending them to secured custody rather than to the community.

Currently there are not enough community programs to absorb these youths. The infrastructure is not yet in place. For property offences more emphasis has to be placed on whether the youth is a habitual offender. I do not think a bit of community work will be taken seriously by someone who openly flaunts the law on a continual basis. They should be dealt with very differently than other first time property offenders.

• (1750)

For violent offences Bill C–37 generally prescribes maximums rather than minimums. In the case of premeditated first degree murder a young offender is subject to a maximum six–year sentence in secured custody with an absolute maximum of ten years, including open custody.

This is a substantial improvement over the old five–year maximum but still does not go far enough. With no minimums, a young offender may still believe the sentence for murder will be a few short years. Some people do not believe longer sentences will deter youths. All I can say is ridiculously light sentences sure have not.

We need longer minimum sentences for violent young offenders so they know exactly what they will be facing when they contemplate rape, assault or murder.

When we incarcerate youths today the law says they must be provided with shelter, safety and schooling. There is also some counselling but the rest of the time they are frequently idle without constructive structure in their life.

Last summer at a justice rally in my riding one teenage girl told us that she has friends who actually look forward to detention. It was like a vacation for them with three square meals a day and no worries. They do not have to confront the reasons they are there. How can you rehabilitate a violent young offender if they do not understand there are serious consequences for breaking the law? How can they learn an acceptable value system if they view custody as a vacation?

Youth detention centres are expensive. In Alberta it has been estimated that it costs about $45,000 per year to keep a young offender. In Ontario it costs taxpayers $100,000 per youth. At least 50 per cent of all young offenders currently reoffend. For $100,000 a year Canadians have a right to expect better results.

I advocate the concept of the so–called boot camps. We do not yet have enough statistics on the various models of these camps to prove whether they are effective in all cases, but we do know

that the reoffending rate is lower for many graduates of these wilderness or outbound camps, or whatever you call them.

For many youths in these camps, it is the first time in their lives they are placed in a highly structured environment with specific tasks, responsibilities and expectations. They do not have idle time to scheme or intimidate other youths.

Just south of Prince George we have one such camp. It has been around for 23 years and has a fairly good success rate. These young offenders warm up with callisthenics and go for a four mile run before breakfast. They are assigned tasks and chores around the camp, have strict school and study regimes, and almost no idle time.

They are not doing hard labour as critics of some camps might suggest. They are in a disciplined, structured environment, designed to foster more responsible behaviour.

Just this last year Manitoba has also moved toward this style of detention for youth. In Ontario it costs half as much to send a youth to Camp DARE and they are far less likely to reoffend than if they stayed in a youth detention centre.

Another problem with this bill is that it only transfers 16 or 17 year olds who commit violent personal injury crimes to adult court. It does not deal with 16 or 17 year old habitual offenders who obviously hold the justice system in contempt.

In B.C. between April and September of last year 999 of the 1,819 youths sentenced or remanded in custody were 16 or older. They are responsible for more than half the crimes committed by youths. When it comes to 16 or 17 year olds who commit crimes, I am in complete disagreement with this bill.

I believe every 16 or 17 year old knows the difference between right and wrong. They know when they are committing a crime and I believe they should be treated as adults. They do not belong in the same system as a 12–year–old, nor should they expect the same treatment for their criminal behaviour. This bill provides a loophole to keep even the most violent of older offenders in the youth system. Sixteen and seventeen year olds who commit murder or violent assaults can request that they be kept in the youth system. This bill has created a whole new field for lawyers and will tie up even more valuable court time. I do not think that is right.

I was recently reading an article in *Readers' Digest* by Mike Royko which originally appeared in the Chicago *Tribune*. It illustrates the sentiments many Canadians feel toward violent criminals who rape or murder regardless of their age. I will quote a part of the article:

> Judge McKay hears criminal cases in Trumball County, Ohio. Recently he had a two–legged beast in front of him who had kidnapped, robbed and repeatedly raped a 12–year old girl. When it was time to sentence the 22–year old villain Judge McKay said:
>
> "When you slithered out of your hole that day and spewed your venom all over this defenceless girl, you made this court's top ten list of the lowest scum this country has to offer. In a way the best sentence this court could give would be no sentence at all because if you left this courtroom I don't think you would be alive 10 minutes. You are nothing but a weed among wheat. When we have a weed, it is my job to eradicate it because if I don't you will choke the wheat. Therefore I am going to take you off the streets for as long as I can".
>
> The judge then ticked off long sentence after long sentence for each crime committed against the girl. "You won't be eligible for parole until you're 92", the judge pronounced, "that leaves only one more count, aggravated robbery. You stole this little girl's bra as a souvenir, probably to brag about it to your friends. I'm going to give you a souvenir of Trumball County justice, and that is a maximum sentence of 10 to 25 on the aggravated robbery for stealing that bra and I hope that in your last 25 years in prison you remember that souvenir. Get this scum out of here".

• (1755)

There are millions of Canadians across this country who are demanding that type of justice for that level of criminal. When a 17–year–old in Canada murders or rapes they should know they are going to face serious, severe consequences. Three meals a day in our current youth detention centres and time to practise more criminal skills does not cut it.

I believe inmates in adult prisons should not be idle either. Reform of the entire prison system is not the subject of this bill.

In summary, young offenders must know they will get caught, they will be convicted and they will be punished. Young offenders must know that justice will be swift and sure and they must know what to expect.

Bill C–37 is a start but our entire youth justice system must be overhauled now. It should include 10 and 11 year olds who are slipping through cracks of underfunded child protection agencies and becoming habitual criminals before the age of 12. It should recognize that all 16 and 17 year olds are responsible for their actions, not society. It is their choice to break the law.

We must commit the resources to implement and monitor programs for first time offenders. We must establish or expand highly structured and disciplined youth detention facilities and programs that teach habitual and violent young criminals respect for our values and laws.

Mr. Harold Culbert (Carleton—Charlotte, Lib.): Mr. Speaker, I listened to the presentation of my hon. colleague with a great deal of interest as he discussed Bill C–37.

One of the points that we should recall in that bill quite obviously is the fact that 16 and 17 year olds are moved over to adult court and there is only one way as I understand that piece of legislation for them to even be considered in youth court. They must prove for some reason beyond a doubt and must have

that evidence agreed to by the judge that they would be considered for youth court.

That would happen in very limited situations with extenuating circumstances. As we know also basically this new legislation would double sentences.

Further, I would like to touch on a presentation that I recently had the opportunity to attend by Dr. Fraser Mustard. The presentation indicated the research that he had done over many years. While many in this House would recognize that a few short years ago when we looked at early intervention with children we thought of kindergarten age. Today according to Dr. Mustard we are looking at a much young age. We are looking at an age as low as six months for proper nutrition, for nurturing and for assistance.

• (1800)

My question for my hon. colleague would be formed in this fashion. Does he not believe that community assistance and community help in addition to those changes in Bill C–37 to make penalties stiffer is certainly something that we all have to work for in order to prevent those crimes from happening and the necessity to punish our youth in the future?

Mr. Hill (Prince George—Peace River): Mr. Speaker, I thank my hon. colleague for his thoughts on my presentation and for his question.

I will try to address my answer to the issues he raised in the same order that he did. As to the transfer of 16 and 17 year olds under Bill C–37 to adult court, he is quite correct. The onus is on the individual, on the young offender, to apply and give reasons why he or she should be kept in youth court.

As a previous speaker noted, there is also the facility that came forward by way of an amendment when it was at committee stage where the prosecutor and the defence attorney can get together and make that decision before it comes to court. This leaves the whole thing open to exactly what we have seen in cases of plea bargaining. It is of real concern to us.

As I stated in my speech, 16 and 17 year olds should not be given that option. At 16 years old, these children know exactly what they are doing. They should know the consequences of committing that crime. Therefore there should be automatic transfer with no chance to be tried in the same youth court that would try a 12–year–old.

As far as the comment about the sentencing provisions of Bill C–37 that double the sentence, my understanding is that Bill C–37 only doubles the sentence for murder.

As I said also in my speech, the sentence goes from five to ten years. I personally believe that for first degree murder, 10 years is not long enough. It certainly is not when one looks at the maximum. It can be six years in closed confinement and four years in open.

As to the comment about the community service, certainly I support that concept. I referred to it in my speech as well. We have to have all the forces that can be brought into play. That is not the answer in all cases.

The wilderness camps are not the answer either. Closed confinement is not the answer for everyone. We have to look at a wide range. However, the concern that members are hearing from Reformers is that there are those individuals out there who constantly flaunt the law.

Mr. Speaker, I am sure you are familiar with a case of three young offenders last spring in Edmonton who broke into a young family's home. They knew the family was at home. The young mother woke up and disturbed their burglary. They could have ran. She was no threat to them. However they had absolutely no respect for law or even for human life. They cold bloodedly murdered her. They stabbed her to death.

That is why Reformers say we have to get tough with these people. We have to send a message that our society is not going to condone that type of behaviour.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, I did not want to take part in this debate; I especially did not wish to comment on the hon. member's speech. However, given the well–known difference between his way of thinking and the mentality in Quebec, I feel compelled to speak up.

The way I view these matters is far removed from that of the Reformers. To listen to the hon. member, one would think that young people are the very scourge of society. One would think that young people 18 years of age or younger are truly responsible for the majority of crimes or that crime is increasing because of 18 year olds. We need only look at the statistics. I am a Bloc member and I will use statistics from Justice Canada: we see that the average number of persons under 18 years of age suspected of homicide has dropped considerably in recent years as compared with the 1970s.

• (1805)

Since the 1970s, I believe that the number of serious and abhorrent crimes committed by young offenders has decreased. There are of course the tabloids—the type of newspaper Reformers probably read—which report and in fact highlight such serious crimes. Yet that is not a true representation of what is happening in Canadian society, especially in QUebec.

Would the hon. member please say whether, in his own province at least, the present young offenders act is enforced in the spirit of its objective? Specifically, the act states that "the protection of society. . . is a primary objective of the criminal law applicable to youth". This objective is served by rehabilitating young persons whenever possible. In his own province, is

the act enforced with this objective in mind at least? Is there a system to rehabilitate and reintegrate these young people? It is fine to criticize, but are the minimum instruments in place to help reintegrate these young people into society? I think not.

[*English*]

Mr. Hill (Prince George—Peace River, Ref.): Mr. Speaker, I hope I will be granted as much time as was granted my hon. colleague who just rose with his comments.

I have a couple of comments. The hon. member from the Bloc finds himself a thousand miles away from Reform thinking. That is very obvious and all I can say is thank goodness for that.

The hon. member likes to quote statistics. I notice that most members seem to be using statistics that support their case. I guess we will continue to do that as long as this debate lasts.

I am referring to the Canadian Centre for Justice statistics which say: "Since 1992–93 the number of property cases has decreased by 5 per cent"—this is referring to young offenders' statistics—"while the numbers of cases in all other offence categories have either increased or remained near the same level. The number of cases involving violence has increased by 8 per cent".

We can all quote statistics. We can all say the problem is getting worse or better, depending on what side of the House we are on and what side of the argument we are on.

The point I would make to the hon. member is this. The people who are demanding justice the loudest are the children themselves, the good kids. We tend to forget that. Some seem to think that if Reformers get up and say that we have to get serious with these young offenders that we are somehow attacking youth.

We are trying to defend the youth who are the good citizens, the model citizens, the ones who are afraid to go to school, scared to walk down the street after dark because they could be attacked by some gang because the gang is not being properly dealt with by the system. The system is failing these young people.

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, let me say how pleased I am to have the opportunity to join in this debate on such an important issue as the well thought out and timely amendments to the Young Offenders Act that have been proposed by the Minister of Justice.

The issue of youth crime and youth in general has been a part of the Canadian political scene since the passage of the Juvenile Delinquency Act in 1908. It was completely overhauled in the mid–1980s and replaced by the current Young Offenders Act which has gone unamended since its initial passage.

The government made certain commitments and promises during the election campaign. It promised to move on this specific issue. As a matter of fact it was a promise instrumental in my election to Parliament. Once again we have delivered as we have on so many other issues. Even the media has praised us for our efforts and I admire them for doing so.

Let me quote an article by an Ottawa reporter. "The Tories talked tough on law and order, but the Liberals have acted" says Sean Dirkan of the Ottawa *Sun*. "Jean Chrétien's red book brigade have introduced more tough law and order legislation in a little under nine months in office than the Tories did during nine years in power".

• (1810)

He points to measures introduced by the Minister of Justice and by the Solicitor General, measures such as amendments to the Young Offenders Act, sentencing reform, a crackdown on child sex offenders and reform to the correctional and parole systems. It goes on and on.

This legislation does not stand alone, nor should it stand alone. It will no doubt have an important impact on various other portfolios. Not unlike a car engine, all cylinders must work together, one province co–operating with the other, all levels of government and political parties working together in harmony to achieve this very important goal.

The most important player is the family unit. That is where it all begins.

Several months ago my family had a frightening experience with a group of youths at the exhibition grounds in Toronto. Since that time I have urged the Minister of Justice to act swiftly to bring forward changes to the Young Offenders Act so that we can once again make our streets safe for ourselves and for our children.

Since my election to the House I have had the opportunity to speak with many of my constituents regarding this legislation. One common theme that has consistently been raised is that the crime situation has grown out of control in general and among youths in particular.

Although the crime rate has not increased according to Statistics Canada, it is the seriousness of youth crime which has been amplified both in the media and by the Reform Party specifically.

A recent article in the *Globe and Mail* stated:

> No longer are students simply breaking windows and stealing from corner stores, rather they are breaking into cars and carrying weapons to school.

In the city of Scarborough, school board officials have recently noted that prior to the implementation of the board's zero tolerance policy they were finding 25 weapons a month, of which half were strictly possession for self–defence and the other 50 per cent were used to intimidate, scare and assault. I

find that very disturbing. Our children attend schools for educational and intellectual stimulation, not to intimidate or assault. They should be taking pens, pencils, books and calculators to classrooms, not guns and knives.

The government's real interest is in attacking the roots of youth crime, getting at the circumstances that breed crime, learning why youths have committed those crimes and ensuring that they do not happen again so as to stop the next generation of potential criminals. These circumstances include child poverty, youth unemployment, inadequate day care and insufficient counselling for high risk families and children before they fall into a criminal pattern. We must attack those roots and prevent criminal behaviour before it starts.

The 12th report of the standing committee on justice released in 1993 stated that we must attack the roots of crime, including unemployment, physical and sexual abuse and neglect, illiteracy, low self–esteem, substance abuse, glorification of violence in film, video and television, school failure, dysfunctional families and inequality.

This is not to say that we should ignore or simply pardon crimes committed by youth, who unfortunately, due to circumstances beyond their control, have violated. Youth must be held accountable. They must learn to be accountable for their actions. If they violate societal rules they should be punished. They must learn at an early age to be respectful, responsible and accountable. It is at this stage that the family plays a vital role.

We must go beyond punishment. We must rehabilitate those who break the law and that is what this legislation also does. It provides for the punishment of violators while recognizing that the most successful treatment for young offenders is not only punishment, but rather to both punish and rehabilitate so that the offender will learn that it is wrong to commit a crime, know why it is wrong and will not reoffend.

The onus to reduce crime is not just on the government to bring in and amend legislation. The onus is also on the participants of society. The family is paramount in helping to alleviate the problem of youth crime. This is the first line of defence. It is here that youth receive their earliest level of socialization and they are taught right from wrong.

The onus also falls on our educational system and our educators. They must step forward and show leadership and compassionate guidance, become once again role models for their students and motivate and encourage them to become nothing but the best. But the school system must also have the opportunity to function in an environment that is free from fear.

• (1815)

The onus also falls on our police forces to properly carry out the law. If we are going to ask them to provide and improve their performance, to take a leading role in crime prevention without seriously jeopardizing their lives, we have an obligation to provide the proper resources so they may be able to serve and protect the public.

The onus also falls greatly on the CRTC in the type of programs that are easily and readily available which so much influence our youth of today. I have an article here from the Toronto *Sun* about Jamie Taylor and Mark Williams who became murderers at age 17.

It states here how Jamie Taylor grew up as an abused and neglected child. When he was three Jamie was rushed to hospital after his step father severely beat him with a curtain rod. Since the age of 12 he had no supervision. He did whatever he wanted. His mother often disappeared for a month at a time without checking in on him. Jamie grew up watching macho man destructo movies, playing war games, embracing the very tough image. That was his way of having a leading role.

We also know of a case in the U.K. in which a youth watching a video took an axe and seriously injured the child he was baby sitting. We can see here how constant bombardment of this nature not only can but does influence people's minds and behaviours.

When we do apprehend, convict and incarcerate these people, let us ask ourselves is the problem solved? I do not think so. This is what I mean. Mark Williams has had virtually no treatment in six years. He has seen his case worker four times, less than once a year. Mark also states how he has had to rehabilitate himself. Is the system helping in any way to prepare this person to re–enter society? I do not think so. I am very worried because his parole comes up in 1998.

I have stated in the past that I would make the parole request contingent upon successful completion of a rehabilitation program so that the risk of reoffending can be if not eliminated, greatly minimized.

It has been said many times by many people and deserves repeating once again that our youth are Canada's future. However, it has been said recently this is the first generation that will not have a higher standard of living than its parents. For me that is truly a tragedy.

Youth should be a time of bright optimism. Today our youth find themselves facing problems that are not of their own making. Unemployment for youth is at an all time high. We are in an economy grown weak by constant tinkering, a political situation that to many seems to defy solutions, an economy weakened by constant talk of separation which has brought nothing but instability. We hear of investors in companies hesitating to expand and invest because they do not know if Quebec will be in or out tomorrow.

It is no wonder that our youth live in a perpetual sense of pessimism. I think it is time to move away from political rhetoric to concentrate on economic renewal, development and job creation for our youth.

We must work together to turn this sense of hopelessness around. We must encourage our youth to stay in school, complete their studies and become valuable members of our community. We as a government have initiated programs to do just that. However, our government or any government cannot do it alone.

In partnership with the other players in society, the businesses, the educators, the community groups as well as members of the opposition parties, we must work together to achieve this goal of eliminating youth crime.

Some of the proposed amendments to the Young Offenders Act such as doubling the sentences for those convicted of first and second degree murder go a long way in doing so. Also, victim impact statements would be allowed where victims, should they wish, would now have the opportunity to make a statement about how a young offender's crime has affected them. I believe this will certainly go a long way in helping the courts to see the broader picture in imposing proper sentences.

With respect to medical and psychological assessments, we will with these amendments give the courts the authority to request assessments be done on chronic and serious young offenders without having to request consent from the offender.

Through these amendments we have also established an information sharing system which I believe is very important. Records and information would be shared and would also allow the release of information of young offenders to affected members of the public where there might be a risk to them in the entire community. This information would be shared among professionals, for example between the police, school officials, child welfare agencies, day care centres, et cetera.

• (1820)

Again, we can see here that this will help minimize the risk and we will add more protection for all. Most important, with these new amendments the young offender who was charged with murder, attempted murder, manslaughter, aggravated and sexual assault will now automatically be transferred to adult court.

This is a very important step because the onus here will now be on the youth to prove that they should be tried in the youth court as opposed to adult court. We can see therefore that all these amendments go a long way in sending a strong message that crime at any level will and can no longer be tolerated.

In conclusion, we can clearly see that these changes, some of which I have mentioned, are a step in the right direct so as to help our youth get started in the right direction and send a strong message that violence will no longer be tolerated.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, it is always a pleasure to hear government members speak on bills like Bill C–37.

The bill on young offenders was hotly discussed in Quebec. I would like the member to tell me whether Bill C–37 reflects the opinion of the Quebecers who spoke before the justice committee. Their message to summarize it in very clear terms, was "do not touch the Young Offenders Act". The act is only good if each province enforces it and, to the best of our knowledge, Quebec enforces it the most. The provinces that say the Young Offenders Act is no good are those that do not enforce it.

Is the government member aware of that and will he tell me whether Quebec's demands are respected in the government's proposed amendments to Bill C–37? Perhaps Quebec's reaction to the Young Offenders Act is an example of its distinct character.

Will the member tell me whether the amendments to the bill contain changes to meet Quebec's demands?

[*English*]

Mr. Cannis: Mr. Speaker, I thank the member for his question. In our red book commitment when we looked at this issue we did not try to look at B.C.'s, Quebec's or Ontario's interest. We tried to look after Canada's interest because it is Canada's youth. It is not Quebec's youth, not Ontario's youth, not B.C.'s youth.

It is an overall picture that we are looking at here. I believe the members from the Bloc Quebecois and the members from the Reform Party should learn to put our differences aside for a moment and work on streamlining these amendments together collectively to bring forward the proper amendments, to send the right kind of message as a united force that violence will no longer be tolerated whether it be youth in Quebec, Ontario or anywhere in the country.

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, to the hon. member I would like to say how much I appreciate his family values and the importance and emphasis he puts on schools and the function that they have to perform. I compliment him on his speech in that manner. He did a very good job.

I would like to ask the hon. member to comment on something that crosses my mind when we talk about what we are going to do with regard to these problems. Over the course of the last 20 or 25 years or whatever we talked about causes. The causes, we have to search them out.

I remember the drinking age being 21 and how that was lowered. That simply meant that it was lowered even lower than the illegal drinking age. Instead of 18 and 19 year olds illegally drinking, now it is 14, 15 and 13 year olds.

I think of pornography. There was a time we did not have any. Now it is running rampant. We have a lady in Alberta who is fighting hard to get rid of pornography, peep shows, nude dancing, all these things which we know contribute to the minds of our youth in a very negative way. It is a cause.

• (1825)

If you walked down the street and called a policeman a pig when you were a young man, what would happen? You would not do it out of fear, but more so out of respect. Now it is common practice. Yet there is no recourse, no way in the world that they are supposed to do any thing. We do not meet violence with violence. We listen to all of this bad mouthing—causes.

It seems like every time I address it the one thing that comes up is a wall that is put in front of me. If we want to do something about these causes, it is the Charter of Rights and Freedoms that stops us so many times. When we decide we want to do something about a problem we have to remember the rights. I think it is a hindrance in our judicial system in that regard with young offenders.

Would the hon. member comment on that?

Mr. Cannis: Mr. Speaker, I thank the hon. member for his question. As much as I would like to agree with him, I cannot. In any civilized society we need to have a basis to function around. We need a charter. We need rules and regulations. Sometimes we do not agree with them. We need obviously rules and regulations to protect us.

There have been times when people abuse these rights. I am not disagreeing with that. This is why the Minister of Justice is taking the initiative to bring forth changes. I am not saying that these changes are going to solve our problem. As we know there is ongoing consultation. The justice committee has not finished its work. It will continue.

We have often heard the saying that Rome was not built overnight. The minister cannot bring forth an amendment that will solve every one of our problems. This is a step in the right direction.

I certainly would hope that the justice committee would continue to look at the situation, monitor it and make continuous recommendations. Hopefully as time goes on we will make new changes, new amendments that will hopefully improve the system and make it safer for ourselves and our children.

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, I too would like to commend the hon. member for his speech. I enjoyed it very much. It is that kind of attitude that certainly we can work with on this side.

There are some things that the government can do and there are other things it cannot do to help people out. My hon. colleague from Wild Rose mentioned this point. We have a problem with pornography and these other things which eat away at the moral fibre of our society, in particular the moral fibre of our young people.

Would the hon. member be prepared to support the elimination of pornography, pass laws that would do away with peep shows where people for a fee can come in and watch girls dancing and gyrating on the other side naked? Would he be prepared to pass laws to support the elimination of naked dancing in bars and lap dancing? Would the member be prepared to support legislation, initiate legislation, on the government side to eliminate this kind of conduct that has such a terrible, negative—

The Deputy Speaker: The hon. member for Scarborough Centre has about a minute.

Mr. Cannis: Mr. Speaker, I thank the hon. member for his warm comments about my presentation. I campaigned on family values. I tried to reflect that in my presentation.

I personally do not approve of pornography, especially child pornography, and I certainly would like to see the elimination of child pornography and see people who engage in that type of pornography harshly penalized.

This legislation is not one that addresses this specific concern. I know there are proposals to address these concerns. I hope that the quicker we bring them forth the cleaner and safer our society will be.

There are so many justice issues that we have to address it would be unfair to spread ourselves too thin. We are attacking one specific issue and that is the Young Offenders Act in this debate.

I certainly hope that the other issues, as the member has stated, come forth as soon as possible so that we can address them with the thrust with which we are addressing this Young Offenders Act. As I stated earlier, I think this is a step in the right direction. I believe there is room in the future, but again, let us not prejudge our youth. Let us give them the benefit of the doubt.

• (1830)

In the future I would be very happy to work in the area of eliminating pornography.

ADJOURNMENT PROCEEDINGS

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

CUSTOMS TARIFFS

Mr. Jean–Guy Chrétien (Frontenac, BQ): Mr. Speaker, worried about the federal government's unwillingness to intervene while Canadian customs tariffs are under attack from the U.S., I questioned the Minister of Agriculture and Agri–Food last Friday. What I was asking the minister to do was to ready his

guns and get down to confronting the Americans on the yogurt and ice cream issue.

Let me remind you briefly of the cause for my concern. According to U.S. commerce secretary, Mickey Kantor, Canada is in breach of the North American free trade agreement when it imposes tariffs varying between 100 and 300 per cent on ice cream, yogurt, eggs and poultry exported to the U.S. On the other hand, under the GATT agreements, customs tariffs should be going down gradually over the next six years.

That is where I start having a problem with the Liberal government's inaction. The minister stated that the Canadian government was determined to defend dairy and poultry producers. I wish I could believe the government, but if it acts in the future like it did in the past, after seeing what it has done to Article XI of the GATT agreement, I must say that I can only doubt the good will, the genuine willingness of the minister and his government.

In response to my question, the minister also reiterated his government's support to the Canadian supply management system. In my sense, nothing is more uncertain than the Canadian government's willingness to fight for our supply management system. I would not be surprised if the government's feebleness on the ice cream and yogurt issue were the price to be paid to the Americans for resolving the conflict over Western wheat last summer.

One way to settle this dispute that may very well, in my opinion, degenerate into a trade war is to stop putting our heads in the sand and fight for recognition of GATT's precedence over NAFTA. All we have said so far is that GATT should indeed prevail, but we do not say it too loud to keep our American partners from hearing us.

Three days ago, the minister gave me the following answer: "If the United States has a different point of view and wants to take a run at us, we obviously cannot stop it from taking a run at us, but if it does, we will defend ourselves with everything we have". Incidentally, what do we have to defend our farmers with?

I do not think the minister has any effective means to defend our farmers because he has not gone to a GATT panel that could settle the Canada–U.S. dispute. Allow me to quote the Federation of Dairy Producers of Canada: "Unfortunately, the U.S.–based controversy surrounding the GATT and NAFTA regulations on tariff quotas has reached such proportions that our dairy producers are increasingly doubtful that Canada will succeed in negotiating a bilateral agreement that will benefit them". This quote does not come from me.

• (1835)

In a news bulletin, a few moments ago, I heard Claude Rivard and the vice–president of the Quebec milk producers' federation at a press conference here in Ottawa beg the government to show some guts and take action.

[*English*]

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri–food, Lib.): Mr. Speaker, it is a pleasure to respond to the hon. member's comments tonight.

On February 2 the United States trade representative, Ambassador Kantor, requested formal consultations under NAFTA relating to the U.S. access to the Canadian market for dairy and poultry products.

The Minister of Agriculture and Agri–Food and the Minister for International Trade have repeated frequently and remain of the view that our application of tariff equivalents in our bilateral trade in poultry and dairy products, including ice cream and yogurt, is fully consistent with our rights under GATT and NAFTA. In fact, the ministers issued a press release on February 2 of this year setting out that view so there could be no misunderstanding on it. The Canadian position has not changed and is not changing. Moreover, both ministers stated their view again in this House last Friday.

The U.S. request for consultations should be seen as just that, a request to meet with us and to discuss the issue. The fact that the U.S. is seeking consultations under the dispute settlement provisions of NAFTA does give it a more formal character, I agree, but it does not alter its fundamental nature.

Requests for formal consultations occur quite frequently between trading partners. Sometimes they are in the form of a panel before they are over. Other times the consultations are adequate to resolve the issue. In some cases they are concluded only after lengthy discussions.

We expect these consultations to start in the next week or so. In this particular case we are satisfied that our legal position is sound and we will continue to hold our own. Our preferred approach is a negotiated solution.

It could be expected that the issue might arise in the upcoming visit of Mr. Clinton to Ottawa. If it does, the Canadian line will not change. We are acting within our trade agreement rights and we will defend those rights.

[*Translation*]

SOCIAL HOUSING

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, last Friday I put a question to the minister responsible for social housing about the unfair way Quebec is being treated with respect to social housing.

I wanted to ask him whether he was aware of the fact that Quebec has had a potential loss of $100 million per year for several years. On a per capita basis, Quebec should receive at least 25 per cent of CMHC spending, but at the present time, it gets only 20 per cent. One hundred million dollars annually is a

lot of money. If we were to calculate this on the basis of need, Quebec should receive as much as 29 per cent of the CMHC budget.

So a shortfall of $100 million annually for Quebec is a lot of money, and that is a conservative estimate. In fact, this is all part of the government's attempt to get another $25 million or $26 million out of the pockets of people who live in so–called social housing. The government intends to raise rents by 20 per cent. It looks more like the government has no social housing policy at all.

• (1840)

Funding for social housing has been frozen since the Liberal Party came to power. Quebec is not getting its fair share, and now they want to raise the rents of the neediest group in Quebec. Would the government like to clarify this? Would it at least admit that this is unfair, and would it like to explain what it is doing with respect to social housing? Does this government have a social housing policy?

Mr. Réginald Bélair (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, I am pleased to respond to my colleague's statement.

[*English*]

I want to be very clear on one point. This government is committed within the current financial climate to social housing for all Canadians in need. This includes those Canadians who reside in the province of Quebec.

In order to fully understand how existing housing expenditures are made, my friend must recognize that in the early years of public housing the province of Quebec elected not to participate. For example, under the old rent supplement program, Ontario began participating in 1971, whereas Quebec only joined in 1978. In those years, Ontario delivered 9,500 units for which it continues to receive subsidies, whereas Quebec delivered no units and as such has no subsidy.

Notwithstanding history, our friend across the way must understand that dollars for new housing commitments in Canada are now distributed according to a formula based on core need, not on population. That important distinction must be recognized. According to these principles, each region receives its share of housing dollars for new commitments.

[*Translation*]

In 1993–94, some $350 million was spent in Quebec, which provided assistance for more than 140,000 social housing units. Quebec also received additional funds because of special circumstances. I am referring to the $4 million provided under the RESO program established to improve living conditions in southwestern Montreal and promote local development.

I am also referring to the $5 million given to the Montreal owner–occupants whose homes were damaged by the drought.

[*English*]

Finally, on the point of the alleged $100 million that is not going into Quebec, my friend is aware that the number he is using is false. He knows it. It is most regrettable that the member and the Bloc Quebecois are attempting to play separatist games on the backs of those in Quebec who can least afford it. He should come clean with Canadians and Quebecers.

IMMIGRATION

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, earlier today the Minister of Citizenship and Immigration stated that I understood neither the Immigration and Refugee Board nor the refugee process.

As for my supposed misunderstanding of immigration law, section 19.1(a)(i) and (ii) and (b) of the Immigration Act clearly states the grounds by which an individual is to be refused admission into Canada. It states that one is not to be allowed into Canada if they are: first, likely to pose a danger to public health or safety; second, would cause excessive demands on the health care system; or third, are unable to support themselves in society.

Given Mr. Arthur Lasha fits all these grounds, he should not have been allowed into Canada and should be both stripped of his status and returned to his native Poland. In regard to the specifics of the case, according to numerous reports, this HIV infected individual was accepted as a refugee by the IRB based both on the disease he carries and the reaction the Polish people showed toward him.

Mr. Lasha's claims are ludicrous and the IRB should have known the following. First, the Polish parliament is currently in the process of passing a broadly supported bill recognizing same sex marriages. Second, a constitutional amendment recognizing the equality of homosexuality and heterosexuality is in the process of being adopted there. Therefore, the claim that there is systematic discrimination against homosexuals and, as in Mr. Lasha's case, HIV carriers, is groundless.

Clearly Mr. Lasha has not been entirely honest in describing his homeland. The minister has not accurately portrayed the facts in terms of refugee claims based on homosexuality. The minister said that only two such claims have come before the IRB.

In Newfoundland alone the claim has 90 per cent acceptance rate. According to a legal aid official in that province it is becoming a popular approach to staying in this country.

The minister spoke a great deal about Mr. Lasha being a member of a social group, that being by sexual orientation, and cited the Supreme Court of Canada as having made that decision.

In the 1993 case of Canada v. Ward, the Supreme Court set out the guidelines for assessing whether an individual was a member of a social group. There were three possibilities: first, groups defined by an innate or immutable characteristic; second, groups defined by an association so important to their human dignity that they should not be forced to forsake the association; and third, groups defined by a former voluntary status, immutable due to historic permanence.

The court also suggested possible groups for examination, including homosexuality, but added it was the job of legislators, not the courts, to decide whether or not homosexuality could be considered a social group.

Given that the question of whether homosexuality is the result of genetic makeup or environmental influence is far from being settled, the minister cannot say whether Mr. Lasha was or was not a member of a social group.

The IRB was therefore gravely misguided to make this judgment on the assumption that this individual held an innate or immutable characteristic.

To conclude, in this case the IRB was wrong on a number of accounts. It ignored several subsections of section 19 of the Immigration Act, placing an unfair burden on the health care system and Canadian society as a whole.

Second, it failed to examine Polish society and the accepting environment that the government is fostering toward the homosexual community.

Third, it failed to use the definition of social group properly, as outlined by the Supreme Court of Canada.

Given all this, it is clear that the Immigration and Refugee Board has failed those legitimately seeking protection in Canada from well founded persecution. It has failed Canadian society by allowing in those who clearly should not be admitted into this country.

Now that the minister is fully aware of the facts of this case, will he not accurately portray the facts about immigration application and acceptance? Second, will he have this individual deported immediately? Third, will he disband the IRB? Fourth, will he replace the IRB with competent immigration officials armed with well established guidelines centred around helping those from around the world truly in need of immediate protection?

Ms. Susan Whelan (Parliamentary Secretary to Minister of National Revenue, Lib.): Mr. Speaker, as the member knows, the decision was made by the Immigration and Refugee Board which is a quasi–judicial independent decision making body.

On the broad general issue of sexual orientation there are two compelling facts that may help explain the issue. In June 1993 the Supreme Court ruled that sexual orientation constitutes membership in a particular social group.

As well, the Geneva convention recognizes that in certain countries, members of particular social groups have grounds to fear persecution. It is on these grounds that individuals are eligible to apply for refugee status, not only in Canada but in all other countries that are signatories to the Geneva convention.

This case does not set a precedent. To date there have only been two cases on the basis of sexual orientation. One claim was determined to be negative. The other, the claim the member raises, was determined to be positive following an appeal to the Federal Court of Canada.,

Let me inform the member that Canada is not the only country to accept refugees on the basis of sexual orientation. In fact the United States, Germany and New Zealand have all accepted the positive claims on the basis of sexual orientation.

In conclusion, when claims are evaluated it is with a view to offering Canada's protection from systemic persecution and abuse. I remind the member that Canada has been internationally recognized for its compassion and thorough stand on human rights issues when it comes to refugee determination in Canada.

The Deputy Speaker: Pursuant to Standing Order 38, the motion to adjourn the House has now been deemed to have been adopted. Accordingly the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6.49 p.m.)

HOUSE OF COMMONS

Tuesday, February 21, 1995

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PRISON FOR WOMEN

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I am tabling in both official languages pursuant to the relevant standing order, the special report of the correctional investigator made pursuant to section 193 of the Corrections and Conditional Release Act concerning the treatment of inmates and subsequent inquiry following certain incidents at the prison for women in April 1994 and thereafter.

Mr. Speaker, at the same time, I am also tabling the response by the Correctional Service of Canada to the recommendations of the correctional investigator made in the special report to which I have referred. This is also being tabled pursuant to the relevant standing order in both official languages.

* * *

GOVERNMENT RESPONSE TO PETITIONS

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

* * *

PUBLIC SERVICE SUPERANNUATION ACT

Mr. Eugène Bellemare (Carleton—Gloucester, Lib.) moved for leave to introduce Bill C–306, an act to amend the Public Service Superannuation Act (annuity following job loss).

He said: Mr. Speaker, I have the honour and pleasure of introducing in the House today a bill entitled an act to amend the Public Service Superannuation Act (annuity following job loss).

The purpose of this bill is to amend the Public Service Superannuation Act in order to address the plight of federal public servants who have lost their jobs after January 1, 1995 as a result of a public service downsizing program.

This bill would allow those public servants who have reached 50 years of age and who have at least 10 years of pensionable service to collect an annual allowance equal to the amount of the deferred annuity without penalty immediately upon losing their job.

In light of the upcoming downsizing program, many public servants will be faced with the possibility of having to raise their families on 50 per cent of their earned pension. This bill would allow these public servants, who must leave the public service through no fault of their own, to receive the full pension they deserve and have earned.

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

* * *

PETITIONS

ASSISTED SUICIDE

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Mr. Speaker, I have a petition from an organization in my riding. The petitioners pray that Parliament reject euthanasia, physician assisted suicide in Canada, and consider expanding palliative care centres to ensure that they are accessible to all Canadians who are passing through the last days of their lives.

• (1010)

[*Translation*]

VIOLENCE

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Mr. Speaker, I would have a second petition to table. It concerns violence and abuse in our society.

[*English*]

The petitioners point out that violence in our society is a concern throughout the land. They want violence in the media, whether it be on radio or television, looked at very carefully. The petitioners ask specifically that government ensure that the

CRTC do whatever it can in this matter. They acknowledge there have been some initiatives undertaken and some successes. They point out that violence is not necessary to inform or entertain. They point out that they feel it goes counter to their efforts to raise their families.

MINING INDUSTRY

Mr. Benoît Serré (Timiskaming—French River, Lib.): Mr. Speaker, I have a petition signed by 236 Canadians across Ontario.

The petitioners recognize the importance of mining in Canada and the problems caused by depleting oil reserves. They endorse the 10 point program of action put out by the Keep Mining in Canada campaign. They pray that Parliament take all the necessary measures and steps to increase employment in this sector, promote exploration, rebuild Canada's mineral reserves, sustain mining communities and keep mining in Canada. I concur with the petitioners fully.

CFB MOOSE JAW

Mr. Allan Kerpan (Moose Jaw—Lake Centre, Ref.): Mr. Speaker, I have four petitions to present this morning.

First, I am very pleased to present a petition signed by 3,615 residents of Moose Jaw and surrounding area. These many and concerned petitioners call upon Parliament to refrain from closing or downsizing 15 Wing, refrain from consolidating flight training to Southport, Manitoba, and refrain from moving or disbanding the world famous Snowbirds.

RIGHTS OF THE UNBORN

Mr. Allan Kerpan (Moose Jaw—Lake Centre, Ref.): Mr. Speaker, the second petition is signed by 40 constituents of Moose Jaw—Lake Centre and requests amendment of the Criminal Code to extend protection to the unborn child.

HUMAN RIGHTS

Mr. Allan Kerpan (Moose Jaw—Lake Centre, Ref.): Mr. Speaker, in the third petition, which is signed by 40 constituents of Moose Jaw—Lake Centre, they ask Parliament not to amend the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships and/or homosexuality.

ASSISTED SUICIDE

Mr. Allan Kerpan (Moose Jaw—Lake Centre, Ref.): Mr. Speaker, the fourth petition is signed by 39 constituents of Moose Jaw—Lake Centre who pray that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously.

GUN CONTROL

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Speaker, pursuant to Standing Order 36, I have four petitions this morning presented to me by constituents in my riding.

The first has to do with the use of guns. The petitioners humbly pray and call upon Parliament to refrain from making further changes to existing firearm control legislation and direct the judicial system to enforce existing penalties more stringently in the effort to deliver effective crime deterrents.

ASSISTED SUICIDE

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Speaker, the second petition has to do with the matter of the sanctity of life. The petitioners pray that the government ensures that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the abiding or abetting of suicide or active or passive euthanasia.

RIGHTS OF THE UNBORN

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Speaker, the third petition speaks about the unborn. The petitioners pray that Parliament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

HUMAN RIGHTS

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Speaker, the fourth petition has to do with sexual orientation. The petitioners are asking that the Canadian Human Rights Act or the Charter of Rights and Freedoms not be changed in any way to allow and indicate the societal approval of same sex relationships or homosexuality, including amending the Canadian Human Rights Act to include in the prohibited grounds of discrimination the undefined phrase of sexual orientation.

I support these petitioners.

* * *

QUESTIONS ON THE ORDER PAPER

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

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

Some hon. members: Agreed.

The Acting Speaker (Mr. Kilger): I would like to inform the House that the draw for Private Members' Business scheduled to be held today at 1.15 p.m. has been rescheduled to Friday, February 24, 1995 at 2 p.m.

GOVERNMENT ORDERS

• (1015)

[*English*]

SUPPLY

ALLOTTED DAY—THE DEFICIT

Mr. Jim Abbott (Kootenay East, Ref.) moved:

That this House reject this government's totally inadequate target which reduces the deficit to 3 per cent of GDP within 2 years and will leave Canada, at the end of the period, with a federal deficit of about $25 billion, a federal debt of over $600 billion, $50 billion in annual interest payments and higher taxes.

He said: Mr. Speaker, it is a privilege to stand today to speak to this motion, primarily because the Reform Party has broken tradition. This is an historic day. We have presented to the Government of Canada an alternate budget before its budget has been presented.

It is a particularly historic day because opposition parties have always been noted for opposition, for saying negative things, for carping about the problems created by various governments. They have never had the courage of their convictions, nor the wisdom perhaps, to put together an alternative and bring it forward. In this way not only Parliament can see, but so can all Canadians, that there truly is an alternative to the thought processes that have driven Canada to its financial knees over the last 15 years. I am exceptionally proud of what the Reform Party has done and proud to be a part of it.

I would like to read the section from our document that pertains directly to this:

"Reformers understand that there are many compelling reasons to eliminate the federal deficit quickly and decisively. Among them are the unsustainability of the Chrétien government's current fiscal path; the twin threats of rising interest rates and a falling dollar, and the need to prepare responsibly for the next cyclical downturn in the economy."

"Two more are of particular concern to Reformers: the risk that Canada's dire fiscal situation poses to our social fabric and the need to restore the confidence of Canadians and investors in the government's ability to manage its finances."

"The greatest risk to Canada's social fabric are the threats of annual deficits and a rising national debt, which over the past 30 years have crowded out many legitimate expenditures of governments."

"As was demonstrated most vividly in the last recession the government's ability to provide some stability during periods of economic dislocation is seriously strained".

At the news conference this morning where the Reform Party revealed all of the figures and the entire thought process behind our budget, there was a rather insightful question from a news reporter. He stated to the leader of the Reform Party: "I do not understand. When you last put together your budget you were talking about a $9 billion to $10 billion decrease in non–social spending and another $9 billion decrease in social spending. Why have you just added to the social spending side? Why have you taken the social spending decreases from $9 billion to $16 billion"?

Our leader very accurately reflected the fact that since those numbers were put together in 1992, as a result of the direct spending of this government and the past government, we have now moved a further $100 billion into debt. As a consequence the reduction in the availability of funding for social programs has now been reduced a further $7 billion.

For example the member for Beaches—Woodbine went before the press gallery yesterday and said: "We are not over taxed. Companies are not over taxed. We seem to have bought into that kind of jargon and it is not true".

These people are rather out of step with reality. Reality is that the average family income is $46,488, of which $17,000 goes for food, clothing and shelter; $21,000 goes to taxes. Over the last 12 years corporations have had their tax load increased 69 per cent while their profits have decreased 10 per cent. The member apparently does not understand the concept of down loading.

• (1020)

In fact, the federal government downloads to the provincial, municipal, hospital districts and libraries. We have to pay for water, different post office charges, sewage, garbage, all of the user fees as a result of the federal government downloading. Indeed Canadians are being taxed far beyond the max.

However, the comment that particularly caught my eye was one from the hon. member for Notre–Dame–de–Grâce. He, being first elected in 1965, is quoted in the Ottawa *Citizen* as saying: "I helped build many of these things", referring to the social programs, "I have no intention of participating in their dismantling".

As long as the government refuses to recognize that by driving us further and further into the hole, thereby raising annual interest rates, it is destroying Canada's ability to fund social programs. It is just that simple and it is what this issue is about.

It was interesting that the member for Notre–Dame–de–Grâce, in talking about being one of the people to bring in these programs, probably has forgotten that one of the main architects of medicare in Canada, Tommy Douglas, actually delayed its implementation in Saskatchewan because he knew that his government at the time could not afford it. The government that brought in these programs, and perhaps the member for Notre–Dame–de–Grâce, at that time did not have the size of debt that Canada has now.

We will see the consequences of the government's inability to restrain its spending and to get things under control as starting the erosion of these programs. The erosion of these programs will occur because we are going further and further into debt by borrowing money to pay the interest on the money we have already borrowed. The debt in the last year grew at a rate of 10.3 per cent. Tax revenue grew at a rate of 3.3 per cent thereby creating a 7 per cent spread.

I notice one of the members from the other side, who is knowledgeable about these things, is shaking his head. If he goes to a document prepared for the Council for Economic Education with figures from his department he will find a reflection of the figures I just gave the House. The debt is growing at a rate of 10.3 per cent and tax revenue is growing at a rate of 3.3 per cent. That growth is entirely to pay the interest on the money we have already borrowed.

It is quite fascinating to give the House an idea of how far out of step the members on the other side are when on Friday last week the member for Wellington—Grey—Dufferin—Simcoe rose and said: "I rise in the House today to indicate my outrage that Moody's bond rating agency would place Canada's credit rating under review only two weeks before the federal government's budget comes down. Why did it not just place a horse's head in the finance minister's bed?" Maybe that is what needs to happen in order to get the attention of the other side of the House.

The reality is that when the Prime Minister stood in front of the nation, indeed in front of the world on January 16 and said: "We are doing all that we can on the expenditure side but we have to do something on the taxation side", the interest rate went up one full percentage point. In fact, what happened was that the dollar still dropped one–third of a point.

Last night, to show just how delicate this situation is, in a 12–hour period the Canadian dollar went up one full cent and down one full cent. We are literally on the edge. It is no wonder that Moody's and other people like the *Wall Street Journal* and all of the other publications that advise people who make buying decisions of our Canadian debt and our Canadian currency, are spooked. They are spooked because the government refuses to realize that we can no longer go further and further into debt.

• (1025)

One final note, and I apologize to you, Mr. Speaker and to the House. I failed to inform you that I was going to be splitting my time with another member. I have one final comment.

Mexico, the precursor of where Canada is going in this issue, today has 50 per cent interest rates. Oil payments are being confiscated by the U.S. in order to make sure that the U.S. will stand behind them. Is that really what the government wants? If it is, I can tell the House it is not what I want.

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I have not had the opportunity to see this alternate budget to which the member referred in his remarks.

I did see an alternate budget put out by the Canadian Centre for Policy Alternatives last week. It looked at balancing the budget by looking at the expenditure side and some of the tax loopholes, the foundations that have been set up for the wealthy and the tax breaks there and so on.

Yesterday I had the opportunity to go through a paper put out by the Council of Canadians which looks at the question: Are social programs to blame for the federal debt? It clearly points out in the analysis that program spending as a percentage of GDP has remained relatively constant in social programs over the years.

Your remarks seem to indicate an attack on the social program side. I am wondering if you in your budget, do you have any—

The Acting Speaker (Mr. Kilger): Order. While we are in the early stages of debate on the opposition motion, may I take the time to remind the House to make all their interventions through the Chair and not directly to one another.

Mr. Easter: Mr. Speaker, I wonder if the member for Kootenay East could tell me if in the proposals, they have made any suggestions to close some of the tax loopholes. Does he have any suggestions to deal with the speculative trade in the dollar that is happening in the international financial markets.

I recognize that speculators are playing games with the Canadian dollar, but does he not see the need to try and control that in a global sense so that countries can retain some sovereignty over their finances?

Mr. Abbott: Mr. Speaker, I appreciate both of those questions.

Being a member of the Standing Committee on Finance—and I notice another member from the Standing Committee on Finance—he would probably agree with me that the committee has been looking at family trusts as well as at a number of

different areas. In fact, these so called loopholes are really just myths.

There are some specifics where there has to be some tightening up. I attended a briefing by the revenue department yesterday where we were looking at some of the propositions within the revenue department to tighten up on certain areas. These gaping loopholes simply are a product of wishful thinking.

With respect to controlling speculation, the difficulty is that in the last 10 years the percentage of federal marketable security, that is our bonds and our debt instruments in the hands of people outside of Canada, has increased from 10 per cent of our federal marketable securities to 28 per cent.

In other words, federal marketable securities are now controlled or in the hands of people outside of Canada to the tune of 28 per cent of the total amount outstanding versus only 10 per cent 10 years ago. That has occurred because the previous government and this government refuse to get spending under control, and as a consequence we are at the mercy of these traders.

To try and get control over a trader in Hong Kong or in London or in New York is a non–starter. It is simply not going to happen. These are myths to which I am happy to speak.

• (1030)

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, it is with great pleasure that I rise today to talk about this most serious topic, the most serious thing to threaten Canada as we know it, our debt and deficit.

I can state in no uncertain terms that this is the number one problem facing our country and that the citizens of Canada are demanding action. As I speak our federal debt alone is over $550 billion. It is increasing at almost $40 billion per year.

This is a financial crisis. We have to stop kidding ourselves and we have to start facing reality. The sheer size of these numbers is so gigantic that most Canadians, myself included, have a tough time really understanding what they mean to us. When we bring things down to an every day level, we see just how dramatic this problem really is.

The interest on our debt is a staggering $80,000 a minute. All of that money goes up in smoke, most of it to foreign investors. If the government were allowed to spend that money more productively on necessary services, on all of the jobs that are being threatened, on the social programs now threatened by this loss, if we could just put that money toward those things, how much more productive this country could become.

To put that in common terms, if we were to give away 288,000 colour television sets every day, after a month every home and apartment in this country would have one of those colour television sets. If the month has 31 days instead of 30 days the money for that one extra day of government could buy 4.431 million cases of beer, even more if it does not have alcohol content in it. That poor suffering taxpayer could have a few cold ones while watching "Hockey Night in Canada" on his new colour television set.

The numbers are simply astounding. By the time I finish my 10–minute speech the money shelled out in interest on our debt could have paid a year's worth of university tuition for 270 Canadian students.

What is the government going to do about this ridiculous situation? What is its plan? According to the red book the government is aiming to reduce the deficit to 3 per cent of GDP by the end of its term. The finance minister says with pride that he will meet his targets come hell or high water. What does it really mean to Canadians?

It means an unspeakable high debt of over $600 billion. It means we will still be overspending by $25 billion per year. It dooms Canadians to higher taxes and it begs for a financial crisis of epic proportions. I think it is safe to say that the government was not elected to do any of these things. If it wants to prevent a crisis, it had better start setting some realistic targets.

I have no doubt that the government will claim that it has inherited a legacy of the past, the accumulated mismanagement of nine years worth of Tory rule. Not only is this an unacceptable case of passing buck, it is also completely irrelevant. The government must play the hand that it has been dealt and do it to the very best of its ability. The citizens of Canada are demanding that the government take action.

It is a disgrace that on election day we had a debt of approximately $489 billion and today we have over $550 billion, $61 billion higher than it was the day we started this Parliament. That is a disgrace.

How should the government deal with the deficit? Because the Reform Party cares we have asked the people of Canada through electronic national town hall meetings, many town hall meetings across the country, in curling rinks, service clubs, chambers of commerce and people on the streets. They have told us clearly what should happen. The people of Canada are willing to bite the bullet and take their medicine. They are willing to do this because they know the price today, though painful, will be much less than if they slide and go deeper and deeper into the hole.

If only the finance minister had that message a year ago. Since his disastrously weak budget last year our dollar has dropped steadily, our interest rates have soared and now our credit rating is being reviewed.

• (1035)

Last year the finance minister refused to take on a role of leadership and it has now cost all Canadians dearly. I hope that this will never happen again. The budget must make the tough decisions and it must make them now.

Throughout the prebudgetary process the Reform Party has not only emphasized that the government targets were ridiculous, but that they were ridiculously low and inadequate. We have come up with our own suggestions as to where the cuts should be allocated. That is because we wanted to be constructive and not just adopt the traditional opposition role of criticizing the government after the fact.

Therefore this morning we have released the taxpayers' budget—

The Acting Speaker (Mr. Kilger): Certainly all members of the House can refer to materials, studies and texts of every nature. However, none should be used as props. I say that to caution everyone who will engage in this debate.

Mr. Walker: Mr. Speaker, I rise on a point of order. I believe this is an important point because if the opposition party is basing this on a document which it is willing to produce to Canadians, it should have distributed it. I would point out that it is not available to the government at this side.

The Acting Speaker (Mr. Kilger): I have already dealt with the matter. Certainly while the hon. member wanted to make a point, it is not a point of order. Again I would caution members on both sides of the House that props will not be accepted in this debate or in any other debate.

Mr. Mills (Red Deer): Mr. Speaker, copies are available at Room 200 West Block for anyone who would like one. This morning we released this budget, which charts a course that would eliminate the deficit in three years with no tax increases. No other opposition party in history has achieved this and we are very proud of our accomplishment. We have worked hard as critics and as members of this party to make that happen.

I am sure that the government's spin doctors and certain members of the media will see this as a great opportunity to cast our party in a negative light. They will read through our 60–page budget searching for that one sentence which they think will make us look bad.

It will not work because Canadians are smart enough to know how hard the Reform Party is working to provide an alternative vision for this country, smart enough to appreciate that we are being honest with them about the size of our economic problem and smart enough to ignore the mischief of political spin doctors who think they can manipulate people with the stroke of a pen.

The days of old line party manipulation are gone. The people of Canada are now in charge. They have shown it through the referendum, they have shown it through the last election.

The targets we have set in our taxpayers' budget are real and achievable. They are tough but they are fair. They are explicit and come with explanations as to why we are making the suggestions. I urge all Canadians to get a copy of the budget or the summary and read it for themselves. The Reform Party is willing to accept the judgment of the people of Canada, not the spin doctors.

We want our alternate budget compared with the Minister of Finance's budget next week. I believe that Canadians will agree that the government's target of 3 per cent of GNP is just not good enough. When Canadians read through our document they will notice there is a wide array of expenditure reductions. I would like to talk about the ones that affect my area, foreign affairs.

Over the past year the Standing Committee on Foreign Affairs has conducted a comprehensive review and made a number of suggestions for possible cuts. Although we were not successful in convincing the committee that there should be these cuts, I might summarize the three areas where we suggested them: in bilateral government to government aid; in international grants and non–mandatory contributions; dropping memberships in a number of non–essential international organizations.

We belong to hundreds of organizations. Some of them are not even functional any more. We want the minister and Prime Minister to stop using this aid package as a slush fund every time they take an international trip. We also believe that there should be a substantial cut to the operating expenditures for foreign affairs in CIDA. In total the Reform Party is proposing a cut of $1.3 billion to our international commitments over the next three years. We are proposing not only cuts but a much greater emphasis on accountability, transparency and efficiency in delivering the service.

• (1040)

While these cuts are steep, we believe they reflect the priorities of the grassroots of Canadians. We believe they could be implemented in a way that would preserve those programs to the greatest of their value.

In conclusion, the people of Canada are sending a clear message to cut the deficit to zero in three years and not to raise taxes. The government will either do its job and listen or it will travel the road the Tories took, the road to nowhere. This is the government's last chance. For Canada's sake I hope it will choose the right road.

[*Translation*]

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, I appreciate this opportunity to speak for a few minutes. I have heard all kinds of things since being elected to this House a little over a year ago and I have sincerely tried to understand our friends from the Reform Party. It sure is not easy. I sometimes get the feeling that they have rocks in the head. Something is wrong with them. Perhaps they have bats in their belfry. For whatever reason, they are not quite with us.

It is obvious that everybody wants to go to heaven but nobody wants to die. We all agree on that. When Reformers talk about cutting government spending, I agree with them that cuts have to be made. The point was made that extravagant expenditures were made in the past, on embassies, for example. It happens that certain things slip by the government unnoticed. The Reform Party estimates that the major part of government expenses responsible for the national debt approaching $600 billion are expenses the government made in an effort to help Canadians by developing social policies, in an effort to put Canada on the map with a number of social projects.

If drastic cuts were to be made in all this today, as suggested by the Reform Party, some 33 to 40 per cent of Canadians would just starve. This is unacceptable on the part of a political party, although I must admit it shows that Reformers have a lot of guts. I am impressed by their courage in tabling budget number one of the era of Reform. I am not as impressed, however, with the contents of the document. They are attacking multiculturalism, Canadian bilingualism, and Canadian subsidies. But do they know that $900 million is granted every year to Western producers, in their home region?

If this was cut overnight, what would happen to these people back home? Western farmers would simply be condemned to die slowly but surely of starvation. Now, this is not what politics is about. One has to know when and where to cut so that it is as painless as possible. It may be great fun to cut back the federal civil service by 30 per cent, but if you just drive civil servants out of A to force them onto B, B being welfare, and have no money to pay for welfare through federal–provincial transfers, I fear that Reform Party voters will have to tie their wallets to a chain, as some people have already started doing. This country will be subjected to widespread plunder.

Our social programs are also used to buy social peace. Take that away and the Reformers may well see prison populations swell, which is what they want, as a result of their fiscal policy. I do not know. I am just trying to understand.

This budget number one of the Reform Party does not strike me as a serious one. I would suggest that it goes back to the drawing board and come up with something practical, not prima facie grandstanding, something that makes sense.

[*English*]

Mr. Mills (Red Deer): Mr. Speaker, certainly there were a number of questions there.

I guess the first one is that the socialist utopia that we often hear mentioned by the other parties is just not reality any more. Therefore what we have done is attempted in our budget to empower senior citizens, students and our native people so that they can start taking care of themselves more and more.

Our program of an RPSP goes a long way in that area of taking care of people. What we have to do is target those people who need it most. That is the most important aspect.

• (1045)

We should mention as well that these cuts must be fair across the board. Most farmers in the west, as was mentioned by the member, are prepared to say: "Get government out of my face. Let me handle my own business. I am quite prepared to do that". He mentioned those cuts; we have been advocating them for years. They are nothing new. They are asking just to get government out of their lives.

Basically we want to put money in the hands of people. There will not be people lying on the streets who cannot take care of themselves; they will be taken care of. That is the whole nature of the program.

The member is welcome to review the document and discuss it at length with me or any member of our party. We would be glad to do that.

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I thank the third party for bringing the motion to the floor of the House, beginning with its press conference at nine o'clock this morning.

I will be very measured in my response. It is very rare that I can be so angered as a parliamentarian with the presentation of a case by the opposition parties. However when one cuts corners to the extent of deluding Canadians about the task that faces us, it is something that all parliamentarians should take seriously and look at closely.

This is an opportunity for Canada to turn the corner. I do not think any of us discount the anger felt by taxpayers and Canadians in general about the nature of the debt we now face. As a government we have undertaken with a great deal of pride and deliberation to ensure that our deficit is under control. We are the first government to set targets. We are the first government to meet its targets. We have approached the problem with a reasonable determination to succeed. We believe Canadians want success in deficit reduction more than anything else.

It comes as no surprise to anybody in the House that this debt is one that tragically encumbers our ability to be successful as a government. Speaking on behalf of the government, the Prime Minister and the Minister of Finance, we will succeed in these objectives.

In this context we have an opposition party that has sought to play with fire. Those of us who have been in Parliament for a while all know what happens when a parliamentarian plays with fire. Scenarios and perceptions are created perhaps deliberately or not deliberately that are simply false. People are given the

impression that a solution is just around the corner or that a solution is merely writing things off with the stroke of a pen.

I come from a very poor constituency. I have seen families in economic difficulty. The hardest thing is to say to them: "Things are not likely to be better for one or two years, but if you really stick to this poor paying job and your family gets an education things will be better". It is hope for a better future that makes us all work together as Canadians.

We cannot go to families encumbered by a lot of debt and say: "In two or three months things are going be fine". We cannot tell Canadians that in one or two years things are going to be fine because I do not think they will be all better within two years. Do I think it will be better in the near future? I actually think that. The government believes that and will work toward that objective.

Let me refer to some small items. The non–votable motion before us takes the government to task for its deficit reduction targets "within two years". The taxpayers' budget, the so–called document of the Reform Party, talks about three years. On the one hand we have set out a two–year program. We have been silent on the third year except to say, again in a very determined fashion, that we will meet the new targets we set. Those targets will get us closer and closer to a balanced budget.

By this sleight of hand the leader of the third party talks about his three–year plan and juxtaposes it with our two–year plan to get within 3 per cent of GNP. That is the unfair nature of the document.

• (1050)

I have another point. He opened his address this morning and very carefully chose not to be in Parliament where he could be criticized and subject to scrutiny such as the Minister of Finance will be next week or the week after or whenever the budget is presented. He very publicly said that we must not be subject to the $40 billion of debt that we borrow from foreigners each year.

We did not go to the debt market for $40 billion. The opposition critic and his assistants who he very nicely complimented during his speech know that under Bill C–14 our borrowing limit was far below $40 billion. We have not come back for an amendment. At no time this year did we say we would be borrowing $40 billion. In fact, if last month continues to be as suitable as the first 11 months of the fiscal year, it will probably be closer to $30 billion under Bill C–14. That is either poor research or a deliberate effort to tell Canadians something that is substantially not what it is.

The opposition party also plays footloose with the tragedy that happened to the Mexican economy and the difficult remarks made by Moody's last week. It takes glee in telling us: "I told you so. We are almost a basket case".

Does the party opposite realize the cost to Canadian homeowners? Does the House realize the cost to the housing market or the price we all pay because of these international factors? We should not take with pride that the Mexican economy collapses. We should not join the chorus of the *Wall Street Journal* and some editorial writer saying: "We think Canada is just like Mexico".

When the opposition party puts that into public record, some researcher in a Wall Street office or over in London looks it up and says: "Gee whiz, there are parliamentarians in Canada who think Canada is like Mexico". That is the finance critic. Then interest rates go up another half a per cent or another per cent. The housing market gets into difficulty. Families find it difficult. Credit card rates go up and we are charged greater prices. Then they can turn around in April, May or June and say: "See, I told you that you were getting into difficulty". That is essentially irresponsible.

The opposition party went through its taxpayers' budget and it went through $10 billion of cutbacks in government programs. I thank that party, as I did during the finance committee hearings, for the directness and willingness to work on the issue. The finance minister and the government in program review are looking for significant ways to cut federal expenditures. As I said in my opening remarks, we will not in any way, shape or form back off from the objectives we have set ourselves.

There is an honest way of doing it and there are other ways of doing it. Let me suggest one point. The top item all of us on this side agree with is to reform MPs' pension plan, eliminate excessive travel of federal officials and reduce the number of ministers of state and parliamentary secretaries for a savings of $10 million. Now $10 million is a lot of money. Everybody knows that the pension plan produces no savings in the next three years. There are roughly 20 parliamentary secretaries and we all get the grand sum of $10,000. That would save $200,000. The ministers of state get a bit more. Let us say the total savings would be $500,000.

That leaves us with $9.5 million for excessive federal travel. The $9.5 million at $1,000 a trip would amount to 9,500 trips every year. That is a lot of unnecessary trips. If we look at each week, it would be 190 trips a week out of the Ottawa International Airport. This is excessive federal travel. If a deputy minister or a minister thought that level of excessive travel was happening, we would find the responsible public servants and politicians reined in. I would argue that this type of oversimplification is what brings the wave of anger across the country on to the floor of Parliament and does not filter as a responsible parliamentarian would what is honestly wrong with the system and what is not.

As long as they play to the crowd that this is corrupt place, a place where people do not work and a place where people try to rip off the system, the country will not feel good about itself.

• (1055)

The major transformation we have to make, which the government has taken to its Prime Minister as the primary responsibility of governing, is to ensure Canadians have confidence in their government, confidence in the way their dollars are being spent and confidence that we have a plan for the future. Each of those objectives is being met by the government. We are not about to roll over and allow cheap criticisms in any way, shape or form to pull us down from this honourable sense of purpose.

Empowering individuals, families and communities: if we read each of these items carefully we see that the Reform is promising tax relief.

Let us go back. We want to balance the budget. One of the most difficult things to do at the federal level is to protect the integrity of the fiscal base of the central government. We are under a lot of pressure. We have an underground economy about which people argue as to its depth. We have many thousands of concerned Canadians voicing their opinions. I received petitions on behalf of newspapers and the Canadian Taxpayers Federation yesterday.

There are many hundreds of thousands of Canadians who are disturbed by their level of taxation. We would be wrong to ignore that in the context of making a budget.

Empowering seniors—long term tax relief or reform. Why do Reformers include that? They announced a $3 billion dollar cutback in payments to seniors within the next three years. I know the member for Kingston and the Islands would be interested to know that they are going to do it after consultation. That means this year is lost. They also do not recognize the fact that the senior population is increasing. If we do not do anything in this government, the actual current levels of expenditures go up because of an increasing population.

They are not taking out $3 billion but $5 billion. That is fair enough, but they should say $5 billion and not say $3 billion. They should do their research to understand how people are being helped and not being helped.

Empowering families: strengthen the capacity of families to care for themselves with tax relief.

Mr. Milliken: How much is that worth?

Mr. Walker: What is the price attached to that? It is not known.

Empowering the unemployed and job creators: tax relief or reform. Empowering citizens to meet education needs: this is after suggesting that we should get out of education.

What do they say? They refer to an annual federal–provincial conference to define national standards. Have they ever gone to a federal–provincial meeting where they did not contribute anything and did not have any authority? Who is inviting them? What are they doing at the table? Nobody cares if they are there if they are not contributing something. However they have said that is what we are supposed to be doing.

Empowering those who cannot help themselves: tax relief. Those who cannot help themselves get tax relief. If I were to tell the people on social assistance in Winnipeg North Centre that I was going to help them with tax relief, they would be very curious about what taxes I was relieving them of when they cannot afford anything and they get about $400 a month on social assistance.

Empowerment for aboriginals: many Canadians are frustrated with the administration and the development of self–government in Canada. It would be wrong to deny that. The Reform Party suggests a substantial savings on the aboriginal community. It is about $500 million; I do not have it in front of me.

What do we do when that population base increases about 6 per cent per year? The baby boom within the aboriginal community is the most pronounced generational problem in the country. If we did that we would not just be freezing money, but on a per capita basis when dealing with questions of housing, education and assistance to young people within the aboriginal community there would be phenomenal cutbacks.

The Reform Party has pronounced a huge cutback in the CBC, with a savings of $375 million. Those of us who look at the CBC carefully know there have been a lot of criticisms. I am sure the CBC understands this, but to cut $375 million would probably end CBC television.

• (1100)

This morning when the leader of the third party stood up in room 200, what did he arrange to have? Well, well, well, national broadcast by the CBC. What does he want to use? He wants to use national broadcasting to promote the end of the company doing that national promotion. Does he ever mention it in his speech? No, he just swerves right by it and remains silent on the whole issue. That is the nature of this presentation.

This goes on day after day. Those members talk about equalization. The first thing this government did, Bill C–3, was to stabilize equalization for the poor provinces across this country. This is a very important point because as we move toward other funding and as we begin to deal with the provinces and as we can tell from the report of the federal–provincial meeting last week, these are going to be difficult times for many of the provinces which have to be given credit for the fact that they have shown leadership and produced near balanced or balanced budgets.

Pretty well all the budgets in western Canada, for example in my own region, are getting close to being balanced. Different strategies are being applied, some gradual, some very abrupt strategies but nevertheless they have been stabilized. Equalization is an opportunity for the federal government to make sure

that the other provinces which have a more difficult time have some stability.

They suggest a $500 million cutback in stabilization. However, if we look at it, stabilization increases about $500 million a year. Therefore to freeze it at the level they are doing is a much more extensive cut than they have said. Sixty per cent of equalization payments in this country go to the province of Quebec. It is a very important contribution that the federal government makes.

I would suggest as we are moving into a very difficult year in fighting out the referendum. All parties should appreciate the extent to which the federal government supports the economy of Quebec and not undertake budget initiatives which destabilize that economy at a very important time in our history.

To not acknowledge in the paper whether or not they understand the relationship between equalization and the economy of Quebec, whether or not they just choose to ignore it is a moot question which I am sure they will be willing to address later on.

However, the federal government has a responsibility when it set out a program in March of one year to the next year to continue that program and to continue the stabilization.

They go on to talk about the reform of the social security structure. They have a new program to come out which is basically to disband the RRSP idea. One of the most expensive programs that we have in this country, the way the federal government helps families and individuals, is through pensions. It is through support of the RRSPs and through the support of the registered pension plans. We by most estimates allow $15 billion of contributions to go into those plans without taxes. That is one of the major tax expenditures that we have.

If one wants to have a balanced budget within three years, I would suggest that there are limits to ways that one can extend new programs. To put out the feeler or just a vague idea to Canadians that there is going to be tax relief, there is going to be tax reform, it is going to be made easier for them in the future is a subtle signal that it cannot be sustained by any logical argument.

The last part of what they talk about is a taxpayer protection plan. This has been tried in other countries. The fact is that the last government played with the idea also. We have a parliamentary system. In the parliamentary system it is very difficult to contain a government from doing what it wants to do. That goes back to Walter Bagehot and the English Constitution.

Whether one likes it or not a parliamentary system does have a lot of power. To argue that by law one can change the behaviour of a government is wrong. In reality one has to change it in the spirit of the government and by the moral commitment it makes to be reasonable with taxpayers' money.

That moral commitment, that fiscal commitment, is here in this government. To offer taxpayers protection act again puts out this phoney signal that there is a solution just around the corner: "If only the government would agree with our act".

Here is where silence is not golden. They talk about taxpayers. What do they not define? The taxpayer. Who is one of the most common taxpayers? Corporations and banks. Are they saying that tax base should never be changed, that there should never be another tax, that Canadians are happy with the corporate and bank tax structure in this country, that none of us have ever heard people ask what we are going to do about the tax on this and the tax on that? What about the foreign ownership of the Canadian economy? Are we going to remain silent on that, a taxpayer issue that we are going to put into the Constitution?

• (1105)

My time is limited and my comments are extensive. I have tried to contain my frustration with an opposition party which is misusing an opportunity immediately before a federal budget to give Canadians the false hope that there is an easy solution, that we can somehow magically eliminate all the problems and all the bad judgments made by governments over the last two decades. Yes, I include the government and my own party in that.

We have accumulated a lot of debt. To acknowledge the accumulation of debt is also to admit that we have a very difficult problem ahead of us. All of us will have constituents who will suffer. If any member in the House thinks that their own constituency is going to be exempt, that their own lifestyle is going to be exempt, that we will not feel the effects of this budget, they are kidding themselves. Our job is to maintain a consensus in this country, not to have a social struggle, not to have class bitterness, but to understand that we are all in this together.

I thank the House very much for the opportunity to participate in this debate and I look forward to comments from other members.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, I suppose on the other side of the coin I share the member's concern about having to keep one's feelings in a proper perspective in the spirit of debate in this House.

I found it particularly difficult when he was standing and very selectively making comments and extracts from where we were talking about Canadians being able to help themselves. Rather than going through the whole process of points one through five, he chose to stay on only one point. I find that really unfortunate and I do not think it really does anything for the level of debate in this House.

He has a complete lack of understanding of the rage that there is on the part of Canadians at this moment. The reason there is a

demand for a taxpayer protection act is that we currently have a government in Canada whose leader stood before the people of this country and said there would be no tax increases for two years. The election was in October 1993. That is less than two years and this government will bring in tax increases. Canadians want the ability to be able to make politicians accountable.

The Prime Minister, when he was on the stump, said there would be no tax increases except in the case of war. The last time I looked the only war was the war which this government is creating on social programs by its constant overspending.

The hon. member suggested that the Reform Party is doing a disservice, that investors somewhere or people doing research are going to take a look and say there is a member of Parliament who is actually speaking up and saying things that are said in this week's *Maclean's* magazine which reported:

> Nevertheless, even Canada's best run governments and companies are now bracing for the sting of a credit downgrade. The federal government's credit rating is a ceiling that no other Canadian credit can vault. And if Ottawa's rating falls, Moody's has already served notice that it will also slash those of the provinces, including British Columbia, as well as eight triple-A rated municipalities across the country. One of those is London, Ontario, which currently has a debt of $83 million. "A downgrade would have a significant impact on our borrowing costs"—

It is also going to affect Sun Life Assurance, Imperial Oil and the rest.

I do not understand how this member or any of the other members can stand in this House and say that just because the Reform Party is saying it like it is that somehow it is wrong. This is supposed to be a House of truth.

The *Financial Post* last Friday, quoting from Moody's Investor Service, reported:

> "We downgraded Italy in 1993 and it was very controversial", recalled Vincent Truglia, the senior analyst at Moody's Investor Service Inc. responsible for yesterday's review of Canada's debt ratings, which could result in downgrades.
>
> In the case of Italy, Truglia concluded that though the country's economic picture was brightening, given the nature of Italian society it would be very difficult for the government to maintain fiscal austerity in the medium term.
>
> "Everyone disagreed with us at the time and thought we were crazy", said Truglia, but Moody's analysis, "has in fact proven to be the case quite strongly".

● (1110)

These are warnings. I ask the parliamentary secretary to the finance minister why will the government not at least acknowledge these warnings? Even on the front page of the Vancouver *Sun* last Friday the finance minister said that he was surprised, he was shocked, he was outraged. These are warnings. Should we not be taking these as warnings rather than simply saying it is too bad the Reform Party is bringing up these terrible issues in the House?

Mr. Walker: Mr. Speaker, I see the member for Kootenay East is doing serious reading. He started out with *Maclean's*, went to the *Financial Post* and then the Vancouver *Sun*. I am glad he stopped his reading list right then and there.

I think there are more serious ways of looking at what rating companies do. There is no doubt that everybody is concerned about it. The Minister of Finance expressed his own concern in answering questions in the House of Commons last week.

I am not going to downplay the concerns that we have about how the world sees us and the volatility of the money markets over the last 12 months dealing with issues such as the referendum, dealing with the national debt and the provincial debt. All these questions weigh heavily on the government. To belittle them would be self-denial.

The question becomes how we approach the country. Do we approach it as a sad sack? Do we approach it as if this is about to be the end? Or do we say to ourselves this is a strong country, we have a tremendous economy? The OECD says we will continue to lead the industrial world for the next two years in economic growth, that we have the fastest growth rate, around 4.5 per cent. This is strength. These are companies and individuals going out and doing something.

We have rates of expansion in our export markets which are second to none in the world. We have strength. What we should be doing as parliamentarians is adding to that strength and not exercising the negative.

Yes, the report from Moody's was a very negative report. That does not necessarily mean it is correct. It does not mean that we should all sort of give in and say this is a terrible country, why do families stay here, why are we bothering doing anything here. As parliamentarians our job is to say that this is a pretty good country. What we should be doing is building upon this base and not trying to destroy it.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I would like to build on the last sentence of the Parliamentary Secretary to the Minister of Finance, that we are here not to just talk about fiscal discipline but we are also here to talk about creating an environment for growth that will put people back to work.

As I review the taxpayers' budget put forward by the Reform Party today I felt that specifics related to job creation and putting people back to work were pretty thin.

I would like to get reassurance from the parliamentary secretary that we as a government have not wavered from our

commitment and our focus on putting Canadians back to work. Ultimately I believe that the two million plus people who do not have work are a heck of a lot more concerned about our commitment to that reality.

This whole debate on deficit and fiscal discipline which has pretty much crowded that part of the debate out also needs some discussion. I wonder if I could get some reassurance from the parliamentary secretary.

Mr. Walker: Mr. Speaker, this government was elected on the question of jobs. We have created over 400,000 jobs. More important, the economy has created 400,000 jobs.

We are very supportive of companies, particularly small businesses that are expanding. We will form a budget that supports the creation of jobs in small, medium and even large businesses in this economy. Our job here is to support others who create the jobs.

• (1115)

The parliamentary secretary to the minister responsible for industry is very interested in the tourism industry. He believes, as does the government, that we can really create jobs by supporting our tourism industry. I have no compunction about saying in the House that we will do everything we can to support tourism.

With respect to cutbacks, there is only one area the third party will not cut money from. It is not tourism. It is not regional development. What is the one area that it will not take a penny from? Jails. Members of that party can only be positive about jails. If we stop and think about it, we wonder what kind of perverted logic that is. We are looking at the way government spends money and the only thing they can be positive about is jails.

To their credit they are also supporting the Department of Justice on gun control by allowing money for that, and it is appreciated. However, we have to be concerned with more than just jails. We have to be concerned about job creation, about creating another 40,000 jobs, building enthusiasm and showing support for the entrepreneurs and companies in this country that are trying to rebuild our economy.

[*Translation*]

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, today we have a good example of the financial trouble we are in: a government which does not do anything, which does not realize the magnitude of the problem, and an extreme right wing opposition ready to impose a drastic remedy on all citizens.

Allow me to come back to the Reform Party's motion, although I do not feel it is worthwhile spending a great deal of time on it. Many of the things we do in this House are not always very helpful, and we are maintaining this tradition this morning.

If we have a quick look at government finances, we see that, first of all, this year's deficit will still hover around $38 billion. We will continue to get into debt for the 24th year in a row. Our debt will exceed $545 billion, while interest rates will add $85,000 a minute to our debt.

Our structural deficit is $28 billion, which means that even with phenomenal growth and a fully functioning economy, this deficit would persist. The Canadian economy is plagued by many structural problems. The Reform Party's discussion paper does not have much to say on this. Interest on the debt amounted to $38 billion last year and will reach $45 billion this year.

Our external debt represents 44 per cent of our total debt. When referring to our external debt, we must also take into account provincial governments, municipalities and businesses. Forty–four per cent of our economic activity is in foreign hands. The problem with foreign debt is that our savings rate is insufficient and our economy is far from operating at its full potential.

I will also touch on what our Reform friends are suggesting this morning. I find it hard to call them "friends" when I read their document. This paper is a all–out attack against Quebec. Let us see what policy sectors they are going after. As we know, because of history and a number of factors, Quebec receives equalization payments, social assistance and unemployment insurance from the federal government.

These are the only sectors where federalists can say that they send Quebec more money than they receive from it. There is no reason to boast about sending Quebec more money in these sectors, whether it is social assistance, unemployment insurance or equalization payments.

This is how they compensate for the fact that Quebec does not get its fair share of subsidies allowing it to better structure its economy, as in research and development and other such sectors. They compensate with transfers, a kind of social assistance for the provinces.

Today, Reformers are telling us: "We will put some order into this. Not only will we not touch those sectors where Quebec is at a disadvantage, but we will cut UI, social assistance and equalization payments". The figures speak for themselves.

• (1120)

The Reform vision would include cutting a total of $15 billion from our social security system. That includes $3 billion in equalization payments. As we all know, equalization is one area where Quebec receives a fairly substantial amount. It does not work out to much per capita, for instance, but since our population is larger, the total amount is still quite substantial.

They want to cut in this area. They also want to cut $2.5 billion in welfare payments and $3.4 billion in unemployment insurance. These are the three biggest items they want to cut, but they also want to cut $6.6 billion in cash transfers to the

provinces. This is incredible, and I am amazed that they failed to consider the regional impact of this so–called budget.

Perhaps the Reform Party should stop and think what the consequences and the impact of this budget would be on the Maritimes. They would also cut in other areas such as funding for official bilingualism and multiculturalism and the rest.

It is my impression that the Reform Party still acts like a regional party, a party whose vision does not go beyond the few regions it represents, a party that is incapable of looking at Canada as a whole, which is typical of the political situation in this country today. And it also says a lot about the future of a party that hopes to govern Canada someday. I would not wish this on any Canadian. In any case, we may not be around, but I would feel sorry for Canadians if they were ever governed by a party like the Reform Party. Besides, it would not be in the best interests of Quebecers for Canadians to suffer the impact of the lack of vision of these people on their social policies.

Just consider other cuts they would make. Three billion dollars cut from pension benefits. Three billion dollars, which works out to a 15 per cent cut in the income security system for senior citizens. Are they going to apply those cuts across the board? Fifteen per cent of everybody's pension cheques? Is that what they want to do? Hard to say. They do some simple arithmetic and come up with $3 billion, just like that.

They would make additional cuts totalling $3.4 billion in unemployment insurance, although they know perfectly well that this year, the Unemployment Insurance Fund will generate a very high surplus. They probably want to let the surplus accumulate or reduce premiums. It is not clear how they want to do that.

They would also make cuts of $200 million in funding for education. We know that they supported Minister Axworthy's plan that would raise tuition fees and let students pay a larger share of education costs. So it is not surprising that the Reform Party should suggest that. I am not sure what we should call this document, to do it justice. Perhaps we should call it an essay that would hardly get a passing mark.

There are another $10 billion in cuts that should be examined more closely, but basically, it is an all out attack against social programs and especially those that benefit Quebec.

What is the basis of the Reform Party's approach? It is generated by some kind of conservative ideology according to which the rich drive the economy and our social programs have burdened us with debt, and the only solution is to make drastic cuts in those programs in order to put public finances on a sound footing.

Their document does not talk about tax equity. Not at all. It does not talk much about fighting the underground economy. It does not mention the tax treatment of corporations or businesses because according to them, these are the people who generate economic activity and they should be praised for doing so. Their god is the "invisible hand" of Adam Smith at its best. Government has no place in the economy or the social sector, and if they could privatize social security completely, they would. But of course, they cannot go all out in that respect.

• (1125)

I heard them say in their introduction that they were proud of what they had done, proud of this document. If this document were actually in effect, however, I doubt they would be quite so proud about facing people in the street, sinking ever deeper into poverty.

Clearly they took their inspiration to some extent from the model provided by Alberta, which is going to fix up its public finances and will succeed in getting out of the deficit. However, one has to understand the Alberta model. Yesterday, there was a very good report on *Le Point*. If I am not mistaken, 30,000 welfare recipients have left Alberta. Where have they gone? Whose responsibility have they become? It is easy to do something in isolation, but others have to carry the cost of it. Where are they now? In British Columbia, Manitoba or Saskatchewan, and surely being provided for by another provincial government.

Some of them will no doubt re–enter the labour market, but still. So it is easy to do something in isolation when you can pass problems or costs on to others. It would be just about impossible to apply the Alberta solution to all of Canada. The additional revenues generated by the oil industry in Alberta this year could not be duplicated for Canada as a whole. The situation there is a highly specific one.

We should have a look as well at what all of this is doing to the health care system and to hospitals. I would like to quote a few passages from the Reform Party's document on decentralization, which echoes the Liberals in talk of new federalism, decentralized federalism, federalism on the move, developing federalism and everything else they would have us believe, but always with the same idea behind it all.

They suggest transferring financial problems to the provinces, which is what decentralization is all about, while maintaining national standards. Page 24 of their document provides that the federal government would use equalization to make these national standards attainable. However, further along in the figures, we see that they are going to cut equalization payments. They are therefore denying the means to those who need it to attain the national standards. Not only do we keep

national standards high, but we cut the money and then we force them to meet the standards. How are the provinces, the recipients of equalization payments, going to attain these standards? This would be the worst decentralization scenario, if it were handled this way. We would of course keep all the departments on overlap service.

Further on, the document states that, in terms of the health care system, essential services must be maintained so that they may be covered. What is an essential service? What does it mean? Under this kind of health care system, does it mean that essential services will be available to anyone, at any hospital, on any given day? Do they know what the impact of all this will be? It is said that prevention is one of the weak spots in our health care system and in our society in general. I would be curious to see the impact that only covering essential services will have on that.

People with health problems that they consider minor will not get out and get treatment. What kind of health problems will that lead to? Obviously, they do not talk about this. Their approach is overly simplistic. If I were a teacher in a CEGEP—I suppose that such projects could not be considered university level—and I had to mark this project, I would be hard put to give it a passing mark.

I would like to touch on what could be done. There are some things that we should do to improve government finances, because they have been suggested. There is a difference between making things even more difficult for people, which is what the Reform Party would do, and doing nothing, which is what the current government is doing—it did nothing to reduce the deficit in its first year, then decided to put changes off for a year and is too afraid to make a move before the referendum in Quebec.

We must not think that we can fix 24 consecutive years of overspending in 15 or 20 minutes of debate, as the Reformers would have us believe, or by jotting a few things down on paper; it is much more complex than that. We must take progressive steps, like the ones we need for our tax system.

I have been lucky enough, in these times, to travel throughout Quebec with the youth commission on the future of Quebec and to hear many visions for the future; how to build the desired society and the principles on which it should be built, be it Canada or Quebec. The values and principles mentioned most frequently are those of fairness and justice.

• (1130)

No one has any solutions to offer, apparently. We are told to emphasize certain things. There is little mention of collecting unpaid taxes, which would reportedly amount to some $6 or $7 billion. We can certainly not collect all of it, but we could at least collect part of it, even if it is only $2 or $3 billion per year over the next two years.

As for overlapping and waste by the federal government in particular, a great deal of money could be saved in this area, perhaps a few billion more. The only matter on which we agree with the Reformers is that of business subsidies. We can indeed eliminate subsidies which are in any case not effective and which distort the market. In the area of defence, more cuts can be made; $1.5 or $1.6 billion in additional cuts could easily be made.

We would also have to look closely at certain tax rules. We have talked about family trusts ever since we came to the House, so much so that I am getting fed up with the whole subject. Talk, talk, talk, but nothing happens. We must also reconsider the approach of investing in megaprojects. A restrictive tax policy would lead to a slightly more relaxed monetary policy, especially in regard to short term interest rates. The impact on our economy would not be negligible.

Certain measures would serve, over the next two years, to restore public finances to a level which would make foreign investors more confident, decrease pressure on interest rates and improve Canada's economy on the whole.

I shall conclude with the choices available. For a good number of Quebecers, 1995 is the year for making choices. For Canadians as a whole, it is also the year to make financial choices and, as the time draws nearer, a greater number of possibilities emerge, such as the Reform proposal, a proposal which has not been put forward in Quebec. Reformers need only look at the results of the byelections in Brome—Missisquoi and even in Saint–Henri—Westmount to see that their vision of society in the future, their vision is not catching on at all in Quebec and probably never will because it is out of touch with reality.

If this vision is becoming widespread in Canada, no wonder the union between Quebec and Canada is in trouble. So, if this is how Reformers see things, let us not be surprised if this vision has an impact on the choices Quebecers make, because they see things differently. So, I really wish they would stop wanting to cut in the financial assistance provided to Quebec on account of the fact that it receives more in terms of social assistance, unemployment insurance and transfer payments. I wish that Quebecers could levy their owns taxes and spend these amounts effectively so that they would not need to be on the receiving end of such programs, so that fewer people would be in need.

But for that to happen, half the economic lever must not be left in the hands of someone who could not care less anyway about economic development. In that respect, the Quebec government has come up with a solution, a solution it is putting forward with the support of the Bloc Quebecois and perhaps even another party, the Democratic Action Party, which is making it increasingly clear it wants Quebec to be fully sovereign.

So, there is growing support in Quebec for sorting out our problems on our own and letting others do the same, but I am still not convinced that this vision of the Reformers is shared by all Canadians. I certainly hope that is not the case, because this is no way of looking at the future, this is not something desirable.

To conclude, there is a whole range of possibilities between doing nothing, which is the Liberal approach, and laying off everybody and putting everyone on the street, as the Reform Party is suggesting. Good for them. Preparing this budget has kept them busy for a few days, but I do not think it will be very useful in the long run, in the greater scheme of things, to put the fiscal house in order.

[*English*]

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, I have heard a lot of criticism of our budget from the hon. Bloc member, but I would like to ask him where the Bloc's numbers are. If you are going to criticize a solid plan like we presented here today, then you had better have something to offer in—

The Acting Speaker (Mr. Kilger): Recognizing, like all debates, that this one will bring some strong views, by the same token I continue to remind members to direct their interventions through the Speaker so that we can continue this debate in the finest parliamentary tradition.

• (1135)

Mr. Benoit: Mr. Speaker, I say again, if the hon. member is going to criticize, which is good, then he should offer a positive alternative as we have done with this budget. I ask the hon. member for some specifics on what the Bloc party and what he would offer as an alternative.

In particular, I am really surprised that the member from the Bloc pointed out a concern with what we have mentioned and with what we have presented in this budget in terms of transfer payments. In fact, we have proposed to give more control to the provinces. I thought this was something that Quebecers wanted.

I will read a little bit from our budget on the principle of decentralization that the member referred to. "As a general principle, government services shall be delivered by levels of government closest to the people. The federal government should respect in practice as well as in law, provincial jurisdiction over natural resources and the delivery of social programs".

The hon. member has criticized us for this. This actually means giving a lot more power to Quebec and all other provinces. I want to hear specifically why the member has a concern with this area. I ask for his suggestions, other than separation which appears to be an option that Quebecers are not going to accept.

[*Translation*]

Mr. Brien: Mr. Speaker, I am pleased to go over the whole decentralization approach for the second time, an approach on which the Liberals and Reformers agree. It is how they see decentralization. They tell us that they will let the provinces manage social programs.

They mention natural resources. I would remind my colleague that, under the constitution, some if not most natural resources should come under provincial jurisdiction, just like health and education. How generous of them to tell us that they will let us manage these sectors in the future.

They tell us we should be happy that we will now be responsible for these sectors. We would also like to have the revenues to manage them. They cannot transfer expenditures without the revenues that go with them. While the federal government continues to collect taxes as in the past, it will transfer responsibilities but less money. They will tell us about their flexible federalism, which left them broke so that they will now return the favour by aggravating our difficulties.

In addition to giving us administrative responsibility, they will give us jurisdiction, and then impose national standards. They say that in their paper. They say "in co–operation". Talking about federal–provincial co–operation is all fine and well, but we know who always ends up setting national standards.

They also say in their paper that equalization payments will allow all provinces to meet these national standards. Their figures say the exact opposite: we cut your transfer payments and equalization but maintain the same standards. There is something wrong with their logic.

A little further, there is a statement about health care. It seems national standards would only apply to essential medical services. There is no explanation of what that means.

This is hardly decentralization. Real decentralization involves providing financial resources in amounts that are equivalent, sufficient and fair—take your pick.

There is another element missing from this document. In economics, it is very difficult to do an accurate assessment of the mathematical impact of a measure. Economic forecasts are a good example. People think economics is an exact science. Making an economic forecast is like predicting that, when I leave the House, I will either go straight ahead, to the centre or to the left, but since around noon I usually have lunch at the cafeteria in the West Block, it is far more likely I will turn right. On the basis of a number of set assumptions, one can say yes, he will turn right. However, anything can happen.

• (1140)

The document fails to consider some of the more predictable consequences of cuts in welfare payments and unemployment

insurance. This money is often recirculated into the economy. People who receive welfare payments do not keep the money. They spend it. So if we cut those payments, we get the so–called negative spiral effect on the economy, and the document fails to factor in the negative impact of these cuts.

We cannot cut $15 billion in our social programs without affecting government revenues. No way. These people buy things, and the store owner uses that money to buy what he needs. That is the positive impact of dollars that circulate. Dollars that no longer circulate, that are kept by the government to reduce the deficit, have a negative impact. This aspect of the issue seems to have been ignored.

I am not saying that we should continue going into debt. I am merely saying that the negative impact of the proposed cuts has not been evaluated. I am convinced that their proposal would not lead to a balanced budget.

As for the suggestions made by the Bloc, I am sure we were agreed on one of them, the one involving business subsidies. We talk of cutting the government's administrative expenditures where overlap exists, senseless expenditures—the Senate could be completely abolished, we would not be sorry to see that, but that will be debated after we are gone—collecting unpaid taxes, the defence department, and so forth.

We are ready to consider tax expenditures, but they do not believe in such things. They think that there are only budgetary expenditures. Some expenditures are tax expenditures. Is a box at a Toronto Maple Leafs or Montreal Canadiens game a revenue generating expenditure which should be a tax deduction? I have my doubts. The tax system could be tightened up.

But there is no mention of revising anything, of changing anything to do with taxes because they are afraid—these people are very fond of such measures which allow them to make taxes less progressive. Our progressive tax system is diminished by such taxation measures. At a certain level of income, it becomes difficult to maintain the progressive nature of the system because people use the tax system to circumvent it.

This cannot be changed, these are the same people who advocate a flat rate of taxation across the board. That is their idea, it is part of what they are demanding. This is all based on a peculiar vision of society which does not allow for any redistribution of wealth whatsoever, and that is its greatest fault.

I would like them to show me how they would redistribute the money, how they would narrow the gap between high income earners and low income earners which has grown steadily in the last fifteen years. Why is this not mentioned in their document? Redistribution is not one of the Reform Party's priorities, so it is not mentioned.

It is clear and quite plain that we will never get involved in a program like that. There are other ways of going about things. All it takes is a bit of imagination and to stop repeating the theories of right–wing economists.

[*English*]

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, the member from the Bloc is right. He and his colleagues in the finance committee do talk endlessly about tax loopholes. In spite of having been given the opportunity on repeated occasions to be able to point out to the finance committee what these tax loopholes are and quantifying them, they have been unable to do that to this point.

However, so that he can come up to speed on the whole concept of tax points and how they affect things, the hon. member should look at our document, if he has a copy of it before him.

On page 57 he will see the impact on post–secondary education of decreasing the cash transfers from the federal government which we have proposed of $200 million. If we transfer the tax points and give the provinces of Quebec, British Columbia and Prince Edward Island the ability to tax in place of the federal government taxing, he will see from the graph that by the year 2014 there is a very substantial net increase in funding for post–secondary education.

I recognize that we released this document just this morning. Perhaps he and some of the Liberal members have not had time to come up to speed.

As another example, if the hon. member would look at page 52 where we are talking about a 15 per cent cut in the entitlement going to seniors, he would see it. The very first line says: "Focus OAS and GIS on those most in need".

• (1145)

In answer to the question in his speech about whether this means everybody will be cut, no, it does not. However, I am really interested in the concept that we are proposing to transfer the ability of the respective jurisdictions, be they provincial or municipal, to deliver the services at the point of need and also to have the tax room for funding.

Apart from the "vive le Québec libre" kind of thing they are getting into, is that not exactly what they are after? I do not understand why there is a conflict between his and our own point of view on this issue.

[*Translation*]

Mr. Brien: Mr. Speaker, how very generous of them to say that, for $200 million, they will give us the equivalent tax points while at the same time they will cut something like $1 or $1.5 billion in equalization.

To my understanding, this is not about recovering equivalent tax points. So, their whole way of going about reallocating

transfer payments will have a negative impact on Quebec. A two minute analysis of the document makes this patently obvious. In any case, I have no intention of spending the whole day looking at it; I have more important things to do.

The hon. member corrected what was said about seniors by saying that not everyone would face a 15 per cent cut. It is true that that is not the case. They say the focus will be on those most in need, but, here again, it is not defined, just as they do not really define either who will be targeted by the UI cuts. They do not say who is going to be affected by those.

This is how it works. When they do not have enough information to provide more details, they stick to basic principles, which do not take into account the overall impact. It is easy to talk about cutting $1, $2 or $3 billion dollars. When we start looking at the workings or into the details, we see that a lot is missing. Fine principles are easily espoused, but hard to put into practice. The Reform Party cannot get around it. This document is not worth any more than the paper it is printed on.

[*English*]

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, we will continue in Reform to split our time.

I am pleased to rise in the House today to address Reform's opposition day motion. I am also pleased to be here as a member of a team that has the gumption, the fortitude and the imagination to come forward with an alternative budget ahead of the government's own. It indicates to Canadians and to the House there are better ways of doing business and getting us out of the crisis we are fast approaching.

For the benefit of people who have just tuned in I would like to read the motion of the day: "That this House reject this government's totally inadequate target which reduces the deficit to 3 per cent of GDP within two years and will leave Canada at the end of this period with a federal deficit of about $25 billion, a federal debt of over $600 billion and $50 billion in annual interest payments and higher taxes".

The operative word is that we reject the government's target. Many in the House may ask what is the purpose of our motion. Is it simply partisan politics? I will admit there is a political overtone to our motion. However, its purpose is anything but partisan.

Its purpose, if adopted as a motion, would be to show to Canadians and to the international financial markets that the government is serious about getting its debt under control. This is a very important goal because Canadians must know that any sacrifices they may be asked to make as a result of the upcoming budget are designed to take a serious bite out of the staggering debt and deficit situation. It is also important to show international financial markets that the government understands the severity of the fiscal situation and is prepared to take concrete action to deal with it.

• (1150)

In November the prestigious C. D. Howe Institute issued a report urging the government to move faster in the area of deficit reduction. It said the target of 3 per cent of GDP was not acceptable to the money markets. We now see that this sentiment is shared by other influential members of the financial community. To the consternation of members across the way, last week Moody's bond rating agency announced that it is reviewing Canada's AAA credit rating. In fact it was probably to the consternation of all Canadians. News of this review caused the dollar to fall and interest rates to climb. We simply cannot afford this type of reaction to the government's relative inaction.

We must renounce the government's shortsighted and inadequate deficit reduction plan by adopting the motion that is before the House today.

Why do I say that we can no longer afford to follow the government's reduction plan? It is because the problem is of such a size that we can no longer afford to ignore it. We ignore it at our peril.

That problem is a projected annual deficit of approximately $40 billion, which incidentally is about the same size as the debt financing we are paying. Think what we could do with $40 billion to spend on programs. We have to bring the deficit under control. This deficit of $40 billion will get added to the national debt, which is now more than $550 billion. It is a debt which is growing by more than $1,400 every second of every day.

The government's idea of deficit reduction is to trim a $40 billion shortfall to $25 billion. It is not enough.

Currently each Canadian taxpayer is in debt over $39,000, while the debt of every man, woman and child in this country is more than $19,000. They need relief and they need it now. We cannot afford to wait longer for the government to get serious about deficit reduction, or should I say deficit elimination.

I hope that I have established the need for us to act. I would now like to offer the government some suggestions as to how to reduce the deficit. If it does not want to take the time to go into the taxpayers' budget, here are a few things from my particular area.

First, we must get hold of the deficit by spending reductions and not by tax increases. We have said that over and over again but I think we have to say it over and over again. Canadians are already taxed to the max and they cannot, nor should they, tolerate tax increases of any type. There are many places where the government can cut back on its spending. I would like to focus on an area for which I happen to be the spokesperson in our party, official languages.

My Liberal colleagues will no doubt shudder at the idea of trimming anything having to do with official languages. However, given our dire financial straits we can no longer afford to feed this sacred cow with the same unbridled abandon that we have for almost the past 26 years.

• (1155)

Just before I detail the cuts I propose, I would like to state very clearly again that Reform supports the use of two official languages in Canada. We believe Canadians have a right to receive services from key federal institutions where there is a justifiable demand. That is why later today I will be calling on the Standing Joint Committee on Official Languages to support my motion which would ensure people in minority language communities get the services they are entitled to from the federal government in the language of their choice.

People have a right to these services but, at the same time, all Canadians have a right to have their tax dollars spent wisely. This is why I believe we can reduce spending in this area without sacrificing minority language rights such as services to the public.

I have reviewed the more than $600 million in annual official, official languages spending. I say official because there appears to be more spending in this area which does not appear in the official documentation so I am just looking at the nominal book value of $600 million. I have been working on this for over a year so I know there is much more there that is out of view but I have not been able to put my finger on it yet.

My research shows that we can save roughly $300 million in a year by making the following changes to current government spending practices. This is only $300 million, but if we get $300 million here, $300 million somewhere else and $300 somewhere else we have $1 billion. If we keep doing that we can come up with the answers.

First, I propose a savings of $80 million by trimming the amount the government gives to the provinces for second language education. Education, as we all know, is a provincial jurisdiction and the federal government should stop meddling in this area. Much of this money is used for programs such as French immersion, which has in itself been called into question by several noted scholars, including Professor Hammerly of Simon Fraser University. Federal funding of immersion has also resulted in the creation of a two–tiered education system in many districts. This in itself is a good reason to discontinue this funding.

However, coupled with our desperate need to get our finances in order, it is an area of spending which must be eliminated. Under my proposal over three years we would save federal taxpayers more than $240 million.

Another area we can save in is the promotion of official languages. This program costs us more than $41 million in the current fiscal year. We can support official language groups in communities without spending copious amounts of money to do so.

I had better wind up by saying that the government's deficit reduction policy is inadequate. It is not enough to tackle our serious debt problem and it is not enough to inspire confidence among Canadians or the international money markets.

I urge the government to take this situation very seriously. We will try to help by offering suggestions such as I have just done as to the areas where we can cut.

I support the motion and I urge members and the government to do likewise.

Mr. Andrew Telegdi (Waterloo, Lib.): Mr. Speaker, I had the opportunity to glance at the budget presented by the Reform Party. It was not readily available until later this morning.

One of the concerns I have is that Reformers identify the debt as being a major problem. Certainly the government recognizes that. My concern is what their actions might do in terms of causing pressure on interest rates. They have done well in that regard because they have exerted upward pressures on interest rates. I returned from Calgary on the weekend. I had an opportunity to pick up Friday's edition of the Calgary *Herald* and there was a front page story about that.

• (1200)

It is important to reflect on the cuts Reform members are talking about because they affect very real people. This story talked about how the social services department cut off of welfare a 60–year old mother who was caring for her disabled 29–year old daughter. Given her medical condition, the daughter suffers from continual seizures. As a matter of fact, it talks about her having had 210 since January 17.

If the decision to cut off of welfare that 60–year old mother who has worked all her life were allowed to stand, it would have resulted in the 29–year old daughter being put in care at a cost of $100,000 a year. It seems to make little sense to have policies in place that would allow that kind of tragedy to occur.

I bring that forward because you can be penny wise and pound foolish. I think the Reform Party is rather light on analysis and is rather light on the fact that there are real people involved.

Does the member believe it is better not to pay $600 in welfare to a 60–year old mother so she can look after her 29–year old disabled daughter? Or does he think money is better spent by forcing the 60–year old mother into retraining and having the state support the 29–year old daughter in an institution at a very excessive cost?

Mr. Ringma: Mr. Speaker, I cannot believe that the question is a serious one.

First of all, I am not a spokesman for Premier Klein of Alberta. Second, the observation, while very interesting, has nothing whatsoever to do with the presentation I have just made in this House. It is totally irrelevant. It might be directed to some of the detail in the budget, but I cannot honestly take the question seriously.

Mr. Morris Bodnar (Saskatoon—Dundurn, Lib.): Mr. Speaker, reference is made in the Reform Party budget to particular cuts in social security spending. In particular, reference is made to senior citizen benefits being reduced by 15 per cent. In a country where the number of seniors is increasing, there is no recommendation for stable funding in that area but rather a reduction of 15 per cent.

Could the hon. member perhaps elucidate in what manner these particular cuts are proposed to be made to senior citizens?

Mr. Ringma: Mr. Speaker, once again, this is not directly relevant to the speech I have given, but I would be happy to answer it in any event since it seems to be a sincere question.

We would target seniors, such as myself, who do not need the old age pension. That is where we would do the cuts. We would target things properly. Those who need it either continue to get it, or in some cases perhaps they should get more. Those who do not need this sort of support should not get it. I think the majority of those would agree with this analysis and say to put it where it is needed, not where it is not needed.

• (1205)

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, I would like to speak today as one of our party's critics on human resources development and social policy and particularly to address our motion contending that the government's 3 per cent of GDP deficit targets are totally inadequate. I would like to address it from the perspective of the impact of this policy on social programs in this country.

It was the Trudeau Liberal government of which the present Prime Minister was once a senior member and finance minister, which first sold Canadians on the myth that big governments can solve most of our problems. Government then designed program after program to take over some of our personal responsibilities and provide for our basic needs.

Government help and handouts are now regarded as a right. In fact, today when someone claims a right for something, he is probably asking for goods or help from the government. The pervasiveness of this attitude was demonstrated to me this December when, as a member of the Standing Committee on Human Resources Development, I attended hearings on the social reform proposals of the Minister of Human Resources Development.

Although very few Canadians were given the opportunity to address the committee, 159 advocates for special interest groups were paid almost $4 million taxpayer dollars to come and plead their right to continued or even increased public funding. This is funding that will have to be extracted from current and future fellow Canadians, from you and me and our children, in the form of higher taxes or debt.

Sadly, the pipe dream of big government as a solution to our problems has not only brought us close to bankruptcy, it has led to an abdication of personal responsibilities and has set Canadians against Canadians. Hard working Canadians are becoming increasingly incensed to have the fruits of their labour confiscated to fund an ever growing number of non–essential programs. Needy Canadians are told that they are entitled to more help from their fellow citizens and that they can rightly resent anyone whose hard work, risk taking or good fortune has provided them with a measure of wealth.

The problems we are facing today are not just the result of a lack of money, but are directly related to the role we expect government to play in our lives. We are now beginning to realize that many government services are dysfunctional, unaffordable and have a negative effect on self–reliance, independence, responsibility, personal dignity and the social fabric of our society.

For a quarter of a century Canadians have been encouraged to increasingly rely on the government, and they have done just that. A vast amount of our national wealth goes to pay for security measures. Fully one–half of all federal government spending is on social programs. Two–thirds of all federal government spending, after it pays its interest payments, is on social programs. Spending on social programs by all levels of government is about $155 billion every year. That is over 20 per cent of our country's entire income of $750 billion.

On top of that, Canadians spend a significant amount of their own personal resources on security measures. These include additional health insurance, savings for old age, post–secondary education and training, insurance against a whole host of unforeseen adversities, and personal savings.

Even if we stopped funding any of this social spending with borrowed money, we still would spend more than adequate amounts of our national wealth to achieve the level of security we need. Yet welfare state programs are paid for not only by heavy taxation but by borrowing from future generations.

The disastrous consequences of these Liberal policies are now threatening the very programs that Canadians have been encouraged to rely on to meet their security needs. Let me explain why.

In order to borrow, someone has to lend us money. When someone lends the Government of Canada money there has to be

something in it for them. That something is interest. The interest has to be paid every year until the money is returned. Our government has not been returning any borrowed money. Far from it. Instead, for 25 plus years in a row it has borrowed more and more money every single year on which it must pay more and more interest. Not only does the interest burden increase, it compounds.

• (1210)

Just think about the logic of what we have done. We have borrowed money to keep expensive, welfare state, give everybody a cheque programs afloat. Every dollar in interest paid on that borrowed money is a dollar that we cannot now spend on needy people in our country.

This year the Canadian government paid out $42.7 billion in interest. Just think for a moment how much security that $42.7 billion could have provided to the people of this country. Next year we will have to pay about $47 billion in interest. So next year we will have $4 billion less to spend on social security, and less the year after that, and even less the year after that until almost all our national wealth is consumed to service the debt that our reckless and incompetent political managers, mostly Liberals with help from so–called Conservatives, have saddled us with.

The tragedy is that it is not just us today who must face the huge drain of interest dollars endangering our future security. Shamefully, our children and our children's children will have to carry the burden of our government's lack of self–control. Their futures have been heavily mortgaged because governments were not willing to pay their own way.

For 15 months this Liberal government has allowed this incredible fiscal disaster to continue. In these 15 months it has borrowed another $61 billion. That means that every single month this government, this team which claims to be so competent, has overspent by $4 billion. Every month this government has put $4 billion more on your credit card and mine, Mr. Speaker. That is $137.93 for every single Canadian every month. That debt is the inheritance our children have to look forward to. And now the finance minister even wants to tax that.

With this kind of fiscal insanity on the record one would think this Liberal government would now be telling Canadians it has cleaned up its act, will be living within its means and has stopped the interest drain on our economy. Instead, what the government is telling us is so incredible that it has citizens across the country rising in outrage.

The Prime Minister and the finance minister say they intend to confiscate even more of our income for their own spending purposes. They also tell us with pride in their voices that they intend to continue to put us in the hole a minimum of $25 billion for every year we leave them in charge of our affairs. They refer to this incompetent management as good, honest government.

Our children will have to cough up in the neighbourhood of $8 billion every single year to pay for the spending spree of this government not to mention the $40–odd billion every single year they get to pay on the spending sprees indulged in by previous Liberal and Conservative governments. I expect our children will have quite a different name for this kind of management.

It is not hard to figure out that a dollar spent on interest is a dollar that cannot be spent on social programs. A dollar spent on interest is a dollar that cannot be used to help the poor and disadvantaged. A dollar spent on interest is a dollar that cannot be used by business to expand, to improve products, to take advantage of trade opportunities and most of all, to create real long term jobs for Canadians.

Members of this government make a big production about their commitment to helping people. They constantly wax eloquent about the virtues of fairness, equity and compassion.

I am willing to bet that every single one of these kind and caring Liberals will vote to put us and our children over $100 billion in the hole during their term in office. Every one of these Liberals will stand by and see an additional $8 billion plus sucked out of our social programs, sucked out of our job sector, sucked out of our future security over their term in office.

• (1215)

How fair is that to Canadians struggling to support themselves and their families? How equitable is it for us to spend today and hand the bill to tomorrow's citizens? Where is the compassion in eroding the sustainability of social programs because the government cannot get a grip on its appetite for borrowed money?

For 15 months Reformers in Parliament have steadfastly pressed for a change in direction and have kept the issues of our borrowing and our debt and the interest drain on our economy on the national agenda. Reformers are telling the Liberal government it is time to change direction. Canadians deserve better than to end up where the Liberals are taking us.

We need to downsize government, re–evaluate and restrict its functions, and stop living on borrowed money. We need to find better ways to effectively help those in need, ways that are affordable and encourage people to take responsibility for themselves, their families and those around them through communities, churches, schools, charities and other social groups. Public assistance should be reserved for those who need it most.

My colleagues and I in the Reform Party are doing our utmost to get the message of fiscal responsibility to those who sit across the floor of the House. Unfortunately as opposition we cannot bring about real change, a fact that is as frustrating for many Canadians as it is for me. That will not stop us from doing what we can to influence the government.

Today Reform has taken the unprecedented step of taking a government by the hand and showing it the way to a balanced budget within one term of office, within three years. I do not expect members opposite will be permitted to support such a common sense proposal, but I invite Canadians to continue to demand a return to fiscal sanity in the country.

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Mr. Speaker, I thank the second opposition party for tabling what can be called a shadow budget. It becomes part of a general dialectical process of discussion that the finance minister launched some months ago and which has been highlighted by discussions of citizens' groups, household groups, learned society groups, all people putting in ideas and suggestions to the government to help the finance minister in preparing for his budget that he will table in the next week.

Members will pardon me, though, if I say—it is not intended as a criticism—that one finds in the feedback from the various groups consulted, and we could say this is true of the shadow budget from the second opposition party, that it is formulated at a fairly high level of generality and abstraction, that it lacks the tethering detail of examining concrete cases against an empirical record which is the responsibility of a government.

One is reminded of General Secretary Khrushchev celebrated rebuke to the Albanians. I will not translate what he said in Russian exactly. He referred, I think we can say in English, to people jabbering. Basically it says: "Look, it is one thing to talk without having responsibility but when you have to make decisions you have to point out concretely what this means".

In other words, if we have suggestions to make and we do not want cutbacks in our own backyard, whom would we want to cut and why? What are the criteria?

It is very easy to say without responsibility for the government that one would eliminate $40 billion or $50 billion from federal spending in three years, but a government has to justify that in the concrete cases and examine what cuts in one sector of the budget would do to other sectors of the budget and, second, what impact it would all have on federal–provincial relations which without necessarily any action other than from historical forces is with us again as a key issue in the next few years, the Quebec issue to mention only one of these things.

We were warned during the last general election by financial analysts of some reputation and by the International Monetary Fund that reckless and radical financial restructuring without proper attention to empirical detail would have unforeseen effects on unemployment and on the economy.

• (1220)

This is why the government, as its first approach to the budget, recognizes the basic truth that any budget is a balancing act. It requires balancing competing interests, social and economic interests, choosing between them and offering justification for that.

As a government we are charged with keeping Canada together. We have to recognize the conflict in economic attitudes in many parts of the country. For the economically dynamic western provinces in which my own seat is located this means cutting the deficit as top priority. In Quebec and the Atlantic provinces we are getting the message that jobs may have a higher priority than that. We have to balance those interests.

Our predecessor government, the Mulroney government that has disappeared into history, had a fixation on cutting without serious consideration of the revenue side of the balance sheet. To take one example, some economists estimate that each public sector job results in seven spinoff jobs in the private sector. For many companies, for better or for worse, the public sector today is their largest customer. They have to be weaned off public spending. Public sector jobs have to be cut at a pace at which the private sector can absorb them.

Coming back to the budget and the balancing of interests, there is a little bit of voodoo economics from the second opposition party. President George Bush's—

An hon. member: A little bit?

Mr. McWhinney: We understate, as the parliamentary secretary who intervened knows very well. It is our tradition to understate.

There is a little bit of voodoo economics in some of the proposals put forward by the second opposition party. For example, cutting provincial transfer payments with a corresponding transfer of tax points does not result in lowering the overall public debt. It is simply to transfer federal problems to the provinces.

Alberta and Saskatchewan already have their own economic houses in order but other provinces have not. I do not think they are going to appreciate a federal government abdication of responsibility.

Let us take another example. Broad brush cuts look very simple. There is a proposal that has been floated to automate lighthouses on the west coast. It is a major issue for people on the west coast. Many sincere, decent people have discussed this subject with me. I have 25,000 names on a petition in my office opposing this one budgetary cut. I accept the sincerity of the proposals, the logic of the argument, but I also recognize that we have to make cuts.

I have to pose the question: "Whom would you cut and why? Is the deficit to be cut everywhere but in one's own backyard?" These are the hard problems that a finance minister must struggle with.

The Indian affairs department has been referred to. It is a favourite target for many people who do not bother examining

empirical data. It is in the process of devolution that is being spearheaded in Manitoba. The department has cut its workforce by 45 per cent in the last several years. Some bands are ready for self–government, although that is not totally defined, and some bands are more ready for self–government than others.

Consideration of further cuts in the Indian affairs department has to be related to the progress to self–government and to the concept of moving by steps which the government rightfully on all empirical political experience has accepted as the best road to self–government.

Transferring responsibility to what is called the family ignores current social structures that exist as the living reality today in Canada. I would suggest the second opposition party has a rather restricted particularistic definition of the family. One would raise the question and not simply rhetorically: "What about Canadians who do not have a well–to–do family to rely on? What about them?"

There are too many contradictions—antinomy is the technical term—in the shadow budget of the second opposition party that are simply not resolved. Empowerment of individuals is brought forward as a buzzword but is really a code word for abandoning those in need. Basically it calls for people to look after themselves whether or not they can.

• (1225)

This contradicts what in another part of the second opposition party's proposal, the shadow budget, is called equalization. Again one talks of national standards but this contradicts the principle of cutting transfer payments. If we want to impose national standards as a federal government in a domain where the federal constitutional power has to be stretched to the limit, how do we do it without using the tool of transfer payments? The contradiction is there in the shadow budget of the second opposition party. It simply has not bothered to try to resolve it or to suggest how to do it. That again stems from the fact of absence of responsibility in making the hard decisions that we must make as a government.

Again to take a further contradiction on a contradiction, the equalization principle contradicts the idea of cutting transfers to the provinces as such. I believe there is one basic truth here which all of us must recognize. The budget to be brought in by the finance minister within the next week will be the toughest budget Canadians have seen in 127 years. That is the reality. It is going to be a very tough budget. That is our responsibility.

Since I am not privy and constitutionally could not be to the finance minister's plans until he actually announces them in the House, I do not yet know what is in the budget; but I am on record, as are many of my colleagues in the government, as supporting drastic reform of the pensions of members of Parliament. I am on record, as are some of my colleagues, in advocating that Parliament bring MPs' pensions into line with those in the private sector.

There has been reference to foreign travel. I personally have not partaken of any foreign travel at taxpayers' expense since my election. Many government members are in the same position.

I support unemployment insurance reform. Indeed the most imaginative part of the green paper on social reform brought forward by the minister charged with social security concerns unemployment insurance reform. Many Canadians are paying $1,200 per annum in premiums even if they have never made a claim. The seasonally unemployed and the manufacturing industries which include unemployment insurance abuse in their business plans should be made to be more self–supporting through increased premiums, fewer weeks of benefits, more weeks to qualify and mandatory retraining.

These are the materials before the finance minister that have been given considerable consideration by committees, by task forces and by other groups. They are the sorts of decisions a government must make, big tough decisions, balancing the interests, choosing among the conflicting interests and resolving the antinomies.

I support, as do many government members, the commercialisation of as many crown corporations as possible and a rationalization of those remaining. The government accepts that responsibility. It will be reflected in the choices that it has to make in the budget.

We all support the elimination of overlapping government services. We support the transfer of powers to the provinces in such areas as natural resources, fishing and health administration, without sacrificing national health standards. These proposals have been part of our historical debate for the last 30 years since the quiet revolution.

We welcome the suggestions put forward by governments in Quebec, by the Bourassa government and by its present government, for study in this area but we recognize the impact upon the budget in adopting proposals of this sort.

I am really saying that the shadow budget of the second opposition party does not really tackle concretely the problems of making those hard choices. To the extent that it does, it seems to me that like the previous Mulroney government's approach to the economic situation there is a give it up philosophy there.

• (1230)

It is not enough to slash government expenditures. We need, and this was our proposal in the red book and in the general election, a dynamic policy of creating new jobs. We need new export industries. We need more foreign trade. We need to be competitive there.

The Prime Minister has made his trips to Asia accompanied by our leading business specialists and to South America. This is part of the new politics. We need to harness science and technology in aid of economic growth and that requires a strong federal presence. This is the key to the infrastructure program that the government has been carrying forward since its election. It is the key to areas such as western economic development, but it is a recognition. The slashing of expenditures, if that is all it is, is a descent into economic pessimism. It reminds one of the policies of the economists who failed in Germany at the end of the 1920s and who failed in the United States in the Hoover period.

The country is strong. To echo the remarks of the man who replaced President Hoover, we have nothing to fear but fear itself. What we need are new jobs, new markets and new tax revenues. This is a positive, dynamic way of controlling the deficit and reducing the external debt. Create the new jobs, build the new revenues from the new incomes. It is a new, dynamic and optimistic approach to the Canada of the next century. This will be the thrust in the budget to be presented I am sure in the next week.

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I am shocked and appalled when I listen to a speech like this. I think a speech like this is a symbol of what is wrong with this government.

I listened to the hon. member ramble on giving excuses for his government's inaction. He continued to explain why it cannot do anything about this or that. I think the height of irresponsibility is to do nothing. It is analogous to criminal negligence.

Why do you not have a plan after almost 10 years in opposition and after a year in government, after fighting an election campaign that you knew was there and—

The Acting Speaker (Mr. Kilger): Order. I want to once again remind the House that all of our interventions have to be made through the Chair, through the Speaker. It is not to engage one member with another but collectively for the House in making sure that our debate is done in a parliamentary fashion.

Mr. Breitkreuz (Yorkton—Melville): I am sorry, Mr. Speaker. I am too emotional from his presentation. I feel so strongly that this issue is a key issue that we need to address.

I believe the country is tired of hearing excuses about how we have such an onerous task and it is so difficult. This is the government opposite. As a government it cannot keep criticizing Reformers for what they propose unless it can come up with a better proposition. That has to happen. When someone is drowning and is going down for the third time he or she would like to see a life preserver thrown to him or her, not another weight. Increased spending and increased debt and deficit is simply another weight. I think it is inexcusable that this kind of rhetoric continues to be spouted out by these people.

I would like to know what plan the government has? What does it propose in a positive manner that will give hope for Canadians that they will begin to see the light and not continue to be thrown more weights as this member suggests?

Mr. McWhinney: Mr. Speaker, I have waited patiently through a sea of clichés and tired metaphors for a general idea or a question. When finally the question emerged, the only response one can give is pay attention to empirical data. Read my speech when it comes out in *Hansard* and the responses are there. Please do not remain in the realm of cliches. Give us some empirical data. Do not be an Albanian in Mr. Khrushchev's terms.

• (1235)

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, as a reflection of what my Reform colleague said, I must say that the Dr. Feelgood kind of thing this government seems to be into, trust it, everything is going to be fine, is very difficult to swallow when one realizes that this very day this government is going to the financial marketplaces all over the world, cap in hand to try and find $110 million.

I have the good fortune, if I can be permitted to be a little personal, that this week I am expecting to become a grandfather for the first time. As a consequence, it is a sincere and very personal concern for me that we have a government in power today that is prepared to encumber my grandchild to be with the spending of today.

The Reform Party came forward with its zero in three plan in 1992 and here we are just three years later. There is only so much that can be taken out of non–social spending. As a consequence for us to get to zero, which we must do in three years and what this motion is all about, we have now accelerated and gone from only taking $9 billion out of social spending to having to take a further $7 billion out of social spending. That has happened in two and a half years.

I ask the member in good conscience, and I am sure he will realize that I am being deeply sincere, whether it is really not immoral for this Parliament to go ahead and transfer the spending of today probably to my future grandchild's grandchildren. Is there not some kind of problem in the thinking of this member and perhaps in the thinking of the government that we should be doing that?

Mr. McWhinney: Mr. Speaker, I appreciate the thoughtful question from the hon. member opposite. We welcome his co–operation and his party's co–operation in finding concrete ways for cutting government waste and cutting expenditure. We accept the burden of reducing the national deficit, reducing the

external debt. We believe the positive way is by expanding the economy by creating more jobs. If more jobs are not created, we will never get rid of the deficit. That is why we say the two go together. There cannot be one without the other.

I welcome his co–operation and his party's co–operation in tackling the deficit.

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, it is a real pleasure for me to take part in this debate on the motion introduced by my Reform colleague for Kootenay East.

Today is really the tale of the threes. I added a third three after listening to the intervention by my colleague from Kootenay East. The first three I had down was 3 per cent of GDP which we are talking about today as being not sufficient to address our current problems. Another three is the zero in three plan we introduced while we were campaigning in 1993. The third three I added was my three–year old grandson Nicholas. In many ways that is what this whole debate is all about. It is about the future of our children and our grandchildren.

Let me deal with the last three first. We in this House have been part of the generation that has accumulated the tremendous debt that we are all burdened under. We are not going to be around to pay the bill. We have accumulated this debt and we are leaving it on the shoulders of future generations; taxation without representation.

• (1240)

I have been part of that overspending and I have not been very proud of that. I am pleased that I am here, elected to this place to do what I can to bring the government to realize that we have to start living within our means.

Let us go to 3 per cent of GDP as the target that the government has set. What does 3 per cent of GDP mean? It means after we achieve this target we will still be overspending on an annual basis by $25 billion. However, at that point we will be facing federally a $650 billion debt and the interest payments on that debt will have reached $50 billion. What is worse, there is no plan to eliminate the overspending. It is somewhere down the road but there is no definite plan in place to address it.

I would suggest that without a plan to attack it, it will not happen. The 3 per cent of GDP is too little, too late. We have already lost a year. A year ago we were looking at a $490 billion debt and as we stand here this afternoon we are in debt to $550 billion. Our situation has worsened by $60 billion.

Let us take a moment to look at our zero in three plan which we campaigned on last year. We were honest with the Canadian voter when we campaigned. We spelled out where we were going to make the cuts, the departments we were going to make the cuts in and how much those cuts would be.

I would remind members that we were the only party that did that. We actually put some numbers to paper and presented it to the Canadian voter. Two and a half million voters supported us knowing where we were coming from. The deficit at that point was $30 billion. As we stand here this afternoon we are looking at a potential $40 billion deficit.

The deficit can be eliminated within a specific timeframe and we say three years. In eliminating that deficit we will create employment. We will restore investor confidence in our economy and they will come in and they will create the jobs that our children and our grandchildren need, full time, meaningful employment.

By getting our spending under control we will start to offer for the first time tax relief. Canadian voters will be able to see down the road that there is some tax relief coming and that we will not continue to attempt to go deeper and deeper into their pockets.

We speak a lot about the safety nets. Getting our spending under control and eliminating the deficit is the answer to saving our social safety nets. We are not the ones out to destroy it. We are the ones facing reality and we are the ones who want to save those safety nets for those who are in need.

The budget that will be coming down next week to my mind is the most important in Canada's history. If we do not do what is right in this budget we will pay some very serious consequences. The Canadian taxpayer is concerned. The financial markets are concerned. The warning bells are going off, the red lights are flashing and yet they are being ignored. As a matter of fact, we are shooting the messenger. We are being warned that we cannot go any deeper in debt, that we have to make some spending cuts. We are being warned by the people who buy our bonds, the people who have allowed us to go deeper and deeper in debt.

We appreciate it when they buy our bonds, but we do not like the fact that they are warning us that we are getting ourselves into a position where we cannot sustain that debt and are in danger of hitting the wall.

As I said, thousands of concerned taxpayers have spoken out. The message has been unified: no more taxes, reduce government spending, they are taxed to the limit.

The Canadian Taxpayers Federation has gone across Canada holding tax alert rallies that have been attended by thousands of taxpayers.

• (1245)

Yesterday we presented petitions signed by 230,000 concerned taxpayers and as I said, the message is uniform: no more taxes. Government spending must be cut.

Small business gave us the same message. The Canadian Federation of Independent Business in its survey of small business states that 88 per cent of those that responded said the

best thing the government can do to help small business is to cut spending. Get off their backs and out of their pockets.

It is happening all across Canada. In our homes and in our businesses, we have cut back in these times of restraint. We have had to make the cuts in order to survive. Government must do no less than what Canadian taxpayers and Canadian businesses have been doing.

When I was a youngster, I was told that there are only two things that were certain in life, death and taxes. What we are now finding out is that one is causing the other. The Canadian taxpayer is being taxed to death. Canadian taxpayers are fair, compassionate and reasonable but they have reached the limits. The message is that we have no more to give. The government does have room to cut its spending.

Protests have been going on across the country. Radio shows have been encouraging their listeners to phone their member of Parliament. I am sure all members have received phone calls because of the tax alert rallies or tax alert programs.

I want to relate one of the many phone calls that I got in my riding. It was from a young mother. She said: "I am 24 years old. I have three young children. My husband has a good job. He makes a good wage but we are just getting by. Please do not raise taxes. Do what you can to make sure taxes are not raised. We just have no room to move".

I said to her: "I understand where you are coming from. I will do my best to see that your tax burden is not increased". Just before she hung up she said: "There is one other thing that really bothers me. I know the social programs are important but I have a neighbour who is on social programs and in many ways that family is living much better than we are".

The message was that there are people riding in the wagon that she and her husband are pulling who are enjoying more benefits than they are. That has to stop.

Raising taxes are counter productive. For 25 years now we have told the Canadian people that we have to raise taxes and we are going to address the deficit and the debt. In fact what has happened in those 25 years is the exact opposite. While we have raised taxes, the deficit has increased and as a result, the debt has increased.

There is absolutely no justification for any tax increases. They achieve the very opposite to what they are supposed to achieve. We already have a huge underground economy because the Canadian taxpayer has said: "I am giving you more tax dollars and I am getting less service. I am going to find a way to escape this tax burden".

That underground economy is very difficult to get a handle on. I have heard figures from $5 billion to $30 billion. Whatever the number is, it is huge. By increasing the tax burden, we will only inflate that figure, whatever it is.

Today we introduced the taxpayers' budget. It is the first time this has ever happened in Parliament to my knowledge. No party in opposition or third party has come forward with an alternate budget.

We said when we were campaigning that we would offer constructive criticism. That is what we have done. We have been saying cut. In this budget we are outlining where those cuts should be made and the departments in which they should be made.

Twenty–five billion dollars in three years is not a draconian target. We are talking about $8 to $9 billion a year from a $750 billion GDP. That is about 1 per cent a year. It can be achieved and it must be achieved.

It will bring some pain but it will be short term pain for long term gain. The cuts have to be made in all sectors, not just in the social services. We have to do it in the public and in the private sectors.

I get concerned when I hear the message that we are out to destroy the social programs. That is not true. We have been spending $80 billion on these social programs. What we are talking about is $65 billion. That is not destroying the social programs.

• (1250)

If these people really wanted to protect those truly in need, they would be working with us to see that the cuts are made. There is lots of room to improve the efficiency of those programs and deliver them in a better way at far less cost to the taxpayers.

When taxpayers hear that they do not understand what they are asking for when they ask for reduced spending, you are insulting their intelligence. They do understand. The taxpayer in many ways is miles ahead of the politicians, and when taxpayers read that their protests are futile, we forget who is working for who.

We are dealing with an aroused and an informed voter. They understand. They are aware of the situation. No longer are they prepared to roll over and take it. They are speaking out. They spoke out on the cable situation and found out that they can make a difference. Government will ignore the messages that are being given to us at its peril.

The Acting Speaker (Mr. Kilger): I might ask the member for Simcoe Centre to indicate to the Chair if he is splitting his time.

Mr. Harper (Simcoe Centre): Yes, I am splitting my time, Mr. Speaker.

The Acting Speaker (Mr. Kilger): There will be five minutes for the member for Simcoe Centre, subject to five minutes for questions or comments.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, today I stand here with a great deal of pride in being a Reform member of Parliament who was a part of the Reform team that put together the taxpayers' budget that was presented across Canada. I am proud of that, but what we are talking about today goes far beyond partisan politics.

It goes to a problem that truly threatens the country. It deals with a problem which has come from successive flawed assumptions under which governments have been operating for some time. I will talk about those flawed assumptions later.

I would first like to talk about the warnings that have come from various sources which the government must not ignore. These warnings come from various groups and individuals across the country and from around the world. They are telling the government that its target of reducing the deficit to 3 per cent of GDP in three years simply is not good enough.

These warnings have come, as I have said, from a variety sources. Most recently they came from Moody's Bond Rating Agency. They have come over the past from the C.D. Howe Institute, and from the Fraser Institute at various times. The warnings that this target is not good enough came from the *Wall Street Journal* and the Washington *Post* just a few weeks ago.

I attended a conference in Toronto in November entitled "Hitting the Wall" at which the warning came from a wide range of speakers from various backgrounds who had been involved in governments which had gone through economic collapse and had been part of government and opposition parties who were involved in the clean up after the economic collapse. Their warning was very clear. It was that the scenario we are living right now is so similar to what they lived through in their countries that Canada should heed the warning.

The warning came at this conference from a Japanese bond buying agency that said that already Canada is paying unnecessarily high risk premiums on money that it borrows from outside the country. The reason I say that the risk premiums are unnecessarily high is that if governments in the past had been more serious about setting targets far stronger than the 3 per cent of GDP in three years, we would not be paying interest rates nearly as high as we are paying now. The warnings came from a public sector actuary who talked about the fact that the Canada pension plan is non–sustainable. It is not actuarially sound and it cannot be sustained under the present set of rules.

• (1255)

The warnings came from others, but there were several consistent messages that came from each and every one of the speakers at the conference. I know the government has heard these messages before but it should hear them again. The messages are as follows.

First, Canada has a serious overspending problem. It is a very simple and direct message and the government must hear it.

Second, the problem must be dealt with quickly. Again, this message has been given by people from across the country and around the world but it does not appear to have been heard.

The third message is that the Minister of Finance's budget is a last chance budget. The speakers at this conference, "Hitting the Wall", to a person said that this is the last chance. If the government does not get serious beyond the target of reducing the deficit to 3 per cent of GDP in three years there is a very real possibility of economic collapse.

This is a last chance budget because it will be much more difficult for government to deal with the problem next year than it is this year. It will not happen. The political will just will not be there to make the extremely tough cuts and to take the tough measures that will be necessary a year from now.

Compounding interest, rapidly increasing debt, ever–increasing proportions of government spending going to interest payments on the debt would all make it much more difficult next year. These speakers said that there is no precedent in the world where a government has taken the tough measures necessary without going through economic collapse.

The warnings are there. The Liberals should consider this Reform budget as another warning. There are a lot of measures in it that I have heard expressed as recommendations by people in my constituency and in other places across the country who I have spoken with over the past several months and years. These are not just measures which were dreamed up by a group of Reform MPs. These are measures that have been proposed by Canadians.

I would like to go through something that is presented in our budget material and talk about the flawed assumptions which have led to the mess we are in now, the flawed assumptions which this Liberal government will continue to operate under. Then I would like to go through the positive results that would arise from the new set of assumptions which the Reform Party has presented. I will begin by reading the motion which we are debating today. The motion reads:

> That this House reject this government's totally inadequate target which reduces the deficit to 3 per cent of GDP within 2 years and will leave Canada, at the end of the period with a federal deficit of about $25 billion, a federal debt of over $600 billion, $50 billion in annual interest payments and higher taxes.

That is the motion we are debating today. This motion stems from one of the flawed assumptions under which this Liberal government has been operating since it came into power a year

and a half ago. I will go through these and talk briefly about the consequences which arise from them.

The first assumption is with respect to jobs. The assumption is that government can solve the unemployment problem through public spending. That is the flawed assumption we have laid out in our budget today. In fact, that assumption was presented an hour or so ago by a member from the Liberal Party when he was talking about all of the things which his government had done. One of the wonderful things that member said was that his government had created jobs. I believe he said that his government created 40,000 jobs.

• (1300)

When Reformers reminded the member across the floor that it probably was not his government that created those jobs, that it was probably the private sector, the member backed off on that statement. He realized the error of his ways, at least for the moment. The error was that government does not create jobs; private business does.

The consequences of this flawed assumption and operating under this flawed assumption are that government spending is now at an all time high and there are over a million unemployed people in the country. If government spending would create jobs I would suggest that all Canadians would have more than one and more than they need.

Governments have been overspending to a point where we have an accumulated debt today of over $550 billion. Governments have been overspending for 30 years. Has that helped to deal with the problem of unemployment? The answer is no, we have over a million unemployed Canadians today and that is an unacceptable level of unemployment.

The second flawed assumption is in the area of social security. The assumption is that government is the best provider of social security through publicly financed universal programs. I think I can fairly say that is the assumption the Liberal government and past governments have been operating under.

The consequence of operating under this flawed assumption is that despite big government programs, the social fabric of Canada is unravelling. Health care, pensions and other programs are in financial trouble. Programs like UI and welfare create a disincentive to employment.

The third flawed assumption is that government spending, deficits and debts are okay if they are incurred in the name of jobs and social security. The consequence is that government spending and overspending are the biggest threats facing Canadians with regard to social programs today.

I invite members opposite to read our budget with an open mind and to consider its contents seriously in the final preparations of the budget to be presented next week. I certainly welcome their questions.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have been here for a good part of the debate today and I am dismayed to learn that Reform Party members in making their remarks are not really addressing their budget document.

Indeed I was here for the opening two speeches this morning from the Reform Party and they like the last one constituted really nothing but denunciations of the Liberal Party position which they are waiting to hear in the budget next week.

However they managed to use their document as some kind of launching pad for attacks on a non–existent government budget at this point. They are still attacking last year's budget and saying that government measures are inadequate when they have not yet learned what they are.

It surprised me that I could not get copies of the Reform Party budget for the longest time. I have finally obtained one. We were told in all the news reports this morning that their budget was going to be announced in the House. I am surprised that we have not heard more about the Reform budget.

I have some questions that I would like the hon. member to answer. I know he has very limited time, having wasted most of his presentation on attacking the government instead of dealing with the positive aspects, if there are any, in the Reform budget.

What is in his own party document that will be so popular with Canadians? Or, is it so unpopular that they do not want to talk about it in the House today? They want to use the opportunity to try to blame the government for all the ills instead of looking at the document they have produced, coming clean with Canadians and telling them what bad policies they have proposed in their budget document.

• (1305)

Why have they not discussed it? They keep referring to it but they never give specifics. Would the hon. member give us specifics and tell us what cutbacks in social programs his party proposed in their budget document so all Canadians can hear what the Reform Party has in mind?

Mr. Benoit: Mr. Speaker, the hon. parliamentary secretary commented on copies of our budget not being available. Of course they were. We announced that our budget would be unveiled in West Block, Room 200, at nine o'clock this morning. Liberal members of Parliament were more than welcome. I was pleased to see that one attended the unveiling. Copies have been readily available. They are certainly available in the lobbies now, as the member knows.

The parliamentary secretary of all people should know that when debate is on a certain topic we should try to stick to the debate as much as possible. The debate today is on the Liberal government's very weak deficit reduction target of 3 per cent of GDP in three years.

We will talk about our budget as we have been today. We have presented some important information regarding the budget. However we have to make sure it fits in with the topic for discussion today, the motion that has been presented rejecting the 3 per cent of GDP in three years as a target.

In terms of specifics, if the hon. member has read this document which is available and which he acknowledges he now has, he would know that we presented a lot of specifics. We presented detailed numbers in terms of reductions in the social program spending area and in areas outside social programs.

We cannot only look at spending when we talk about this budget. We also have to look at the empowerment measures that Reform has presented along with the numbers. The numbers are important in the budget but they are there for anyone to see. It is important to balance that. If we are talking about spending cuts in the area of social programs and other areas, it is really important to show the empowering measures to help people deal with the coming cuts.

This approach is far more valid than the Liberal approach of pretending that we do not have a serious problem and therefore not bring forward a budget to deal with the serious problem we in fact have.

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I am shocked at the message I have heard from Reform members opposite today. It is difficult to believe that a party would be so irresponsible as to easily play the game for international monetary traders and talk about problems that do not even exist: rhetoric and no specifics.

I have read the document and I have seen no specifics in it. I would call the paper put forward by hon. members opposite Reform draconianism. That would be a good description.

The facts are contrary to what the motion states. We have the first Minister of Finance in ages who has set targets and is prepared to meet them. He is willing to take the tough measures in a reasoned and planned way.

Could the hon. member opposite name the cuts specifically in summary? Could he bare them to the bone so that we can see what he is specifically talking about in the paper he mentioned?

Mr. Benoit: Mr. Speaker, there is a list in our budget document that explains in detail our proposed cuts and the background supporting information on why it is necessary to make cuts in those areas. As we go through our debate today these numbers will be presented. They are here to read. Surely Liberal members can read as well; I believe they can.

The hon. member for Malpeque talked about Reform draconianism. I want to talk about that. The reality is that if we continue down the path we are taking now with government overspending to the tune of $38 billion this year and a debt of $550 billion, we will lose the bulk of social programs.

Which is more draconian: losing the bulk of social programs or reducing spending on social programs by $15 billion out of total government spending of about $155 billion in that area, that is reducing federal and provincial spending together to about $140 billion? Which is more draconian: saving social programs and targeting them to the people in need or losing them?

● (1310)

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, it seems to me that Reformers are Tories in a hurry and we know what the Tories did to the country.

Everyone knows we must get our fiscal house in order. We must reduce spending and a draw a line on further taxation. We must reduce borrowing. We need to move toward better accountability in government programs and allow people to participate in these decisions to a greater degree.

I have been amazed by my colleagues in the Reform Party. That party supports the concept of a flat tax. We might as well call the earth flat. In a statement the leader of the Reform Party proposed a flat tax allowing lower income families to be exempt. Interestingly enough, those with average incomes in excess of $94,000 are currently paying 66 per cent of all personal income tax in the country. If one was to create a flat tax it is clear that income tax would have to be collected more from the middle class.

It certainly has been a strange week for me debating with Reformers and the Canadian Taxpayers Federation. People are saying no more taxes, while these members with their hidden agenda intend to increase the relative burdens of the middle class.

The Reform Party talks about funding of special interest groups. I object to the funding of these groups. However, what special interest groups do the Reform Party represent? I do not remember a groundswell of opinion of people in the country to transfer tax burdens from the wealthy to the middle class. The middle class is taxed beyond belief. Forty–five per cent of the average family income goes to some form of taxes. The concept of reverse Robin Hood is not supported in any progressive jurisdiction in the world.

For my own part I have initiated what I like to call a taxpayers' bill of rights which basically has three components.

It is a private member's initiative of my own. It talks about accountability, the accountability of existing and future government programs, that they must be costed in totality and on a taxpayer basis. If this legislation had been in place I believe taxpayers and the electorate in general would have made better decisions that would have possibly prevented us from being in this mess today.

I also proposed a taxpayers' ombudsman that would act as an ombudsman between taxpayers and tax collecting authorities to protect from onerous collection procedures that often occur. As members of Parliament we can all think of how acts have actually been to the detriment of many honest law–abiding people in Canada.

Another part of that bill talks about freedom from undue taxation. It basically sets a cap of 55 per cent in totality of income on which total taxes can be paid. It simply attempts to reduce that by one per cent a year for the next 15 years. It starts with a 55 per cent cap and reduces it. It is a clear solution to some of our spiralling taxation problems.

The motion is just more of the Reform Party's fantasy world. It must be nice to get up in the morning to all this glittering tinsel but, alas, it is truly a wonderland.

To move too fast in the direction of deficit reduction is just as problematic as moving too slow. As programs are cut it will reduce the federal government's share of income taxes, exacerbating the problem. Let us remember the legacy of the Tories reducing spending, increasing taxes and spiralling deficits, caught in a continual loop. This is where the Reform Party would take us but only faster.

We must break the back of deficit and debt. However we need to walk the fine line between reductions and allowing the economy to grow. We would have thought that a party from the west would be familiar with the tight–fisted policies of R. B. Bennett and how these turned the west into a virtual wasteland of the thirties.

People come to rely on aspects of government programs whether social or rapid write–offs for capital investments by businesses. That does not mean they cannot and indeed will be changed. What we are talking about here is a rapidity by which change occurs.

• (1315)

Creating uncertainty in the business sector as well as other sectors of the economy may well witness a flight of capital. To the extent that we create contraction in the economy, other countries will look more promising to invest in. An outward flow of investment will result in the loss of jobs, further exacerbating our deficit and ultimately throwing us into a recession or worse. I am talking about a situation of reverse economics. Clearly to take government moneys and contract the economy is going to create a bigger deficit than we already have.

These are the policies of the Reform Party, the policies of wrack and ruin. It has taken us 20 years to develop the situation we now have. Regrettably we have to deal with it. The question is how quickly.

A slash and burn mentality does not work. We have to maintain the underpinnings of the social fabric of this nation. More important, we cannot afford to turn the corner that is basically going to put us into a recession or worse than that, a depression. Other countries have dealt with this matter in similar circumstances and have created some of these negative spiralling effects that will actually drive the economy into worse shape.

Clearly the way to get out of a deficit problem is to slowly grow the economy. As the economy grows, revenues from governments increase. By going too fast we run the risk of contraction. That contraction will just exacerbate our problems. The Reform Party does not seem to recognize that. The Reform Party would have us driven into a recession or depression within the next three years. This is unacceptable.

What is the solution? Keep the economy growing. Gradually reduce the deficit with targeted or slightly better than 3 per cent of GDP. Increase foreign trade.

Of the component aspects of national income another very important one is our current account deficit. As we can attract more foreign dollars into our country we can deal with the deficit more aggressively. I am happy to see that during our tenure that account deficit has been reduced from $30 billion to $15 billion.

Trade initiatives such as China, South America, more trade with the United States through NAFTA, these are all positive things to bring Canada out of its deficit situation and controlling debts and deficits as they continue in the future. This is clearly the way to go, not through a tremendous contraction of the economy.

In conclusion, we simply cannot afford pushing our economy back into recession. Worse, we cannot afford the luxury of letting the upper income brackets of this country shift their taxes to the middle class.

Once again it has been amazing to me in the last two or three weeks to watch the large crowds the Reform Party has put together. People are saying to cut spending. The other day in Pickering a gentleman was sitting with a sign which read "cut spending". After the meeting he came up to me and said: "I live in your riding. I am on unemployment insurance and I need a training grant".

It is clear that Reform Party members are misleading people, that somehow these cuts do not affect their own people. Worse than that, the flat tax, or as I say the flat earth tax, is an allocation of taxes from the upper income groups to the middle income earners. Do the middle income earners really know that is the Reform Party strategy, that they will bear proportionately more of the taxes?

I can think of no other country in the OECD or any other nation on the earth that subscribes to this policy. The Reform Party will tell us this gives incentive, it creates jobs. What it really does is it lines the pockets of the rich. This is not the policy of the Liberal Party and never has been.

• (1320)

Progressivity in the income tax system is accepted throughout the western world. As I said, I do not think the Reform Party has been totally honest with Canadians and with this Parliament. In conclusion, clearly we cannot afford the Reform Party.

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, I listened with great interest to the hon. member's suggestion that a reduction of government spending equal to 1 per cent of GDP would cause an economic contraction and downturn in this country. Surely the Canadian economy is not that feeble.

The hon. member stands there and uses the old Keynesian magic of pump priming. Just spend more money. Get the government involved as deeply as it can in the economy and everything will be fine.

If that discredited philosophy worked, this country would have no problems. Canadian governments have spent like drunken sailors for 30 years. If Keynes was 100 per cent right, then there would be no unemployment in this country. There would be no debt. There would be no deficit.

We have heard it all. The previous two governments have done it all. They have wrecked this country by abiding by their faith in this wonderful pump priming philosophy. They should have the gumption to face up to reality, see what has been happening in this country and perhaps join the new parade. Start to realize the people out there know what is going on. That is why they come to these rallies. The ordinary common people are speaking and telling us as parliamentarians to get our act together.

Mr. Shepherd: Mr. Speaker, once again we are talking in some similarities. We know we are going to have to cut spending. All my Liberal Party colleagues have talked about cutting spending, so this is not new.

To start off on a little study of economics, the Keynesian philosophy was basically correct. The problem with Keynesian economics is that we did not take the other side of it which is that during periods of expansion in the economy we save. We continued to spend during good economic periods and we are paying the price for that.

Having said all that, Keynes also talked about levelling off the areas of the ups and downs of the business cycle. These are the things the Reform Party does not understand. In other words, we cannot have a situation where we create a tremendous contraction in the economy so that there is no growth. In fact there would be negative growth. There would be a recession.

By moving too quickly on the deficit, this is where the Reform Party will take us. We will be going nowhere. We will be in a worse situation because we will not have any tax revenues and our deficits will continue to spiral. It is very important that we continue to foster growth in the economy, to create certainty and to keep and meet our deficit target.

[*Translation*]

Mr. Jean-Paul Marchand (Québec-Est, BQ): Mr. Speaker, the question that the Reform Party asked about the federal government's deficit and debt will obviously get a lot of press because they are very serious issues. We all know it.

I think that the cuts that the Reform Party will propose will not fix the monstrous problem facing Canada. The Reformers will table their budget, a bogus budget containing $15 billion in cuts to social programs.

This is nothing new, since their policies centre on eliminating social programs, even though they have contributed the most to Canada's success up to now.

• (1325)

They propose another $10 billion in cuts to government operations, for a total of $25 billion, and they think that these cuts will stimulate an economic recovery and that the economy will create jobs all by itself.

I must concede that the Reform Party had the best intentions when it made this recommendation—the deficit and debt are very serious problems—and I must agree that when we look at these problems from a critical distance, they are very disquieting. Moody's already issued a warning to Canada last week regarding the budget. Several foreign investors are also worried, all the more because, according to the federal government's own calculations, it is projected that Canada's debt will reach $800 billion by the year 2000.

In other words, they project that it will climb by around $50 billion per year in the next six years. It is as if the federal government were stuck in a vicious circle of debt increases, and of deficit increases even, because I have yet to see tangible proof of the government's intention to reduce the deficit and to get the debt under control. We can only hope that they deliver something concrete in the next budget.

Up to this moment, we have been grappling with a debt and a deficit that are out of control. We have a federal system that, for all intents and purposes, is teetering on the brink of bankruptcy, like a ship that is slowly sinking to a watery grave. That is the situation in which the federal government currently finds itself, a serious one indeed.

I would even go so far as to say that the problem goes beyond simple economic calculations. It is also a historical issue. This debt and deficit were not created yesterday, they are not the result of poor management. A country, like a political system, is not a business like any other. There are needs and policies. We invest in programs which are not cost effective, unlike other businesses. This may be one reason among many why the current Canadian federal system is creating a debt, as well as a deficit, and is poorly managed.

There is a problem within the federal system. Right within the Canadian federal system, there is a mechanism which allows money to be wasted, to be spent in certain ways while the debt merely increases. I would like to give you a few examples. Let us consider some of the history of the federal system.

One must recognize first of all that Canada was founded on concepts which are no longer valid today. It was founded on the concept of uniting east and west. This is the great Canadian dream. This country, as we know, was shaped by an ideology which may have had validity at the time, but is now completely outmoded. We know that true, concrete and cost–effective economic trends involve a north–south dynamic, whereas for years and even a century the federal system has attempted to implement an unnatural system, basically between the east and the west, going against the natural north–south dynamic.

• (1330)

To achieve this goal, the federal government had to introduce several very costly policies. This attempt to keep east and west unified was of course no easy matter. It was very expensive; it has been very expensive. Considerable investments were necessary to maintain a system which was, shall we say, artificial.

In cultural matters, for example, think of the billions of dollars invested to create a Canadian culture, while most English Canadians now wonder what that culture is. But if we consider the billions of dollars spent on creating this culture, the image of a unified country, we would have to say it has been a waste of money. In the area of culture alone, we can think of cultural industries that were set up after the second world war, after the Massey commission, which set up the Canada Council and the National Film Board, and which made all sorts of demands on the CBC.

They set up, so to speak, with great panache and a lot of money, an industry to try to create an image of Canadian cultural unity. It did not work. It cost a lot, however, but it did not work. So, today, we are left with all the debts from this unfortunate undertaking, this unfortunate policy. Now we are paying these debts off and we are paying dearly. Those of us in this House are not overly concerned, because we will not be the ones to pay, really. It will be future generations, for sure. We can see from the policies of the federal government how the young people in particular will be paying.

I would like to give you another example. I could give quite a number of examples of mistaken policies by the federal system, which established these grand policies in an attempt to ensure its own survival as a system. The federal system established these policies in order to survive as a system. Not to protect the interests of the public, not to protect the interests of the regions or of communities, but to protect its own priorities here in Ottawa. It is as if the federal system in Ottawa had a life of its own. The policy of bilingualism, for example, established by Pierre Trudeau, which cost a lot, was not necessarily what was recommended by Quebec, the major stakeholder in this issue.

Of course, bilingualism cost billions of dollars and we know very well that, if we look at it analytically, that investment achieved nothing at all. There was no positive spin–off whatsoever following the investment of billions of dollars in that policy. We all know very well that anyone who knows anything about francophones outside of Quebec knows that those billions of dollars were spent with the best of intentions but they were attempts at artificially resuscitating communities gasping for their last breath. This was another unsucessful policy.

We can say the same for several other areas, including health. Just look at how the federal government has imposed itself on the provinces since the 1940s in areas falling exclusively under provincial jurisdiction, like health and education. The federal government did this in order to survive as a system. Once again, today, we find ourselves in a situation where our system is on the brink of bankruptcy, is insolvent, and is unable to continue to apply its policies because they were senseless from the start and are still senseless today.

• (1335)

I would like to say to you that one of the reasons Quebecers want sovereignty is to get out of this absurd system. It is not only weakened by a monstrous debt, but, considering all of the policies the government is trying to enforce across Canada, it is absurd.

[*English*]

Mr. John Bryden (Hamilton—Wentworth, Lib.): Mr. Speaker, I appreciate the remarks of my colleague from Québec–Est. I would like to ask him a question in the context of his remarks that Canada as an entity always trades north–south and that a lot of the east–west trade we have is arbitrary, expensive and not profitable.

Do I take it he would recommend the Quebec dairy producers trade only north–south, that milk marketing arrangements between Quebec and the rest of Canada, particularly Ontario, should be dismantled forthwith and Quebec would be better off if it traded only north–south in that context?

Mr. Marchand: Mr. Speaker, I thank the the member for his question. It is quite interesting. However, I think he has misunderstood what I said with respect to east–west economic ties in Canada.

It does not take an expert to explain and every economist recognizes that the east–west link in Canada is historically and artificially built and that the natural tendencies in our economic trade are north–south. However, this is not to say that Quebec when it becomes sovereign will not want to trade with western Canada, Ontario or the other provinces.

Those economic bonds that have developed between Quebec and the other provinces are good and should continue. It is good not only for those provinces, Ontario and the west, it is good for Quebec as well.

Let us not be simplistic in our economic approach. It is not a question of severing those good things in the system. It is a question of liberating us and all the regions in Canada to be able to develop where economic development is due.

Take Alberta for example, a province well represented by the Reform Party. If we look at its economic situation, we will see that 40 per cent of its trade is with British Columbia, and another 40 per cent is with Asian countries, with the far east; a small 20 per cent with the rest of Canada.

It is totally normal. It is not a political statement to recognize those facts. It is just normal, economic practice.

[*Translation*]

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General of Canada, Lib.): Mr. Speaker, I listened with a great deal of attention to the rather passionate but highly erroneous speech by our colleague opposite.

I find it strange to hear them describe the Canadian federation as being bankrupt. I do not think this is true. I am sure that if you look around you, and I see the hon. member opposite—

The Acting Speaker (Mr. Kilger): I know that speeches can be passionate, but I would remind the House that all comments must be made through the Chair.

Mr. Gagnon: Thank you, Mr. Speaker. We must keep in mind that we can count on a secure market of almost 30 million people. It is important to stress that this market is very important for Quebec products.

That said, the Canadian federation remains a system where we give priority to financial equalization by helping those provinces always in need of financial or infrastructure support.

Let us look at Quebec, for instance. As you know, for the last year, Quebec will receive over $3 billion in equalization payments. Quebec comes out a winner as a result of belonging to the Canadian federation. I find it regrettable that they question federal government services such as Telefilm Canada, the Canada Council and Radio–Canada. The Bloc Quebecois is wrong to say that the system never worked for Quebec, when we know full well that Quebec receives nearly 40 per cent of federal budgets allocated to certain federal government services. That is something we must keep in mind, Mr. Speaker.

• (1340)

They also talk about international markets and say that things are not going well for Quebec, but we must remember that well–known Quebec businesses such as Bombardier and Tembec and many other new small businesses received help from several federal agencies. They received help because of the partnership with the federal government.

We must not forget that many of these officials are from Quebec and believe in Quebec products within Canada.

Mr. Marchand: Mr. Speaker, I can think of several possible ways of answering the muddled remarks of hon. member for Bonaventure—Îles–de–la–Madeleine.

He is telling us that Quebec always got what it asked for from the federal government. Quebec did get a number of things, but Quebec cannot be said to have been the big winner on things that mattered and here are two examples.

First, the most important industry in terms of economic development has been the automotive industry. As the people from out west will tell you, it has all been concentrated in Ontario. You know how important this industry is; it drives the economy. If you need another example, think of the energy sector in Canada.

What happened in that sector in terms of funding? Over the past decade, the federal government has invested $12 billion in the development of atomic energy in Ontario. And each year, another $100 million to $130 million in new funds are spent on atomic energy in Ontario. During this time, how much did the federal government invest in hydroelectricity in Quebec? Not a cent.

This is only one side of the story. We must think about what the people in Western Canada, and Alberta in particular, have gone through. Think how they we taken in by the federal government decision to tax oil produced in Alberta. They are certainly justified in thinking that the federal system is unfair, because we are dealing with investments made essentially to serve the petty interests of that system.

Mr. Benoît Tremblay (Rosemont, BQ): Mr. Speaker, I think that when they read the motion introduced by the Reform Party, many Canadians, Quebecers and foreign investors would agree.

I think the target to reduce the deficit to 3 per cent of GDP within two years is an absolute minimum. In fact, it will not be that difficult since this year, the deficit is expected to be two or three billion less than forecast.

The trouble with the Reform Party's proposal is that it is accompanied by a series of proposals to reorganize the government. We agree with some of them but on the whole, it reflects an ideological vision that focuses on government operations and government spending and ignores all other aspects of the economy.

To Reform members, any government is a problem, except for policemen and prisons, because if we look at how they want to amend the Criminal Code, soon 10 per cent of all Canadians will be in prison and they will need accommodation. Pretty soon it will be like California, where the biggest budget item is not health care but police forces and prisons. In Canada and Quebec, we still prefer to see more money spent on health care and education than on prisons and police forces.

They forgot to include a huge prison construction program in their budget.

The Acting Speaker (Mr. Kilger): Order. I appreciate the fact that in the course of their speeches, members may wish to refer to certain texts, but they are not supposed to use props.

Mr. Tremblay: Mr. Speaker, I think people realize I was referring to the budget proposals of the Reform Party. As I was saying, they forgot to include a huge prison construction program which would probably be the only job creation component of their party's platform.

Of course we are concerned. I think we have reason to be, and we share their concerns as we share those of many Canadians.

• (1345)

We must understand that, at present, the Canadian economy is operating at about 92 per cent of its potential without inflation. This means that there is room for another 8 per cent increase in production without causing any increase in inflation in Canada. How did that come about? You must know where you are coming from to know where you are going. It is simple: the 1980s saw two major recessions aimed at breaking the cycle of inflation. Because of a total lack of co–operation between the various regions and economic agents in Canada, the rate of inflation was allowed to rise during the 1970s and into the early 1980s, when it averaged 12 per cent. It was just plain insane. The Bank of Canada used the big stick because people capable of managing the Canadian economy in co–operation, like in Germany and several other countries, could not be found in this place. That is why the big stick of interest rates had to be used.

So, interest rates skyrocketed and precipitated a major recession, which in turn caused unemployment to increase sharply and, of course, inflation to fall from an average of 12 per cent to 5 per cent. Economic recovery was under way, but we never recovered from the jobs lost. In 1989, the Bank of Canada decided once again to aim for zero–inflation, at a time when the average rate of inflation was about 5 per cent. It did meet its target, but at what price? By jacking up interest rates so as to stifle the economy in Quebec and Canada. So much so that our production rate fell down to 90 per cent. It fell so drastically that for the next three years, the economy grew only marginally. There was no real economic recovery in Canada while the United States had already recovered.

So, this is a duly–considered policy, because of the lack of co–operation in this country. This must be pointed out, even though it is not at the forefront any more, now that inflation has been curbed for a little while, but this inability to co–operate, to work in co–operation in this country is still a problem.

Think back to the 1980s when the Economic Council of Canada and other agencies made it clear economic co–operation was urgently needed in order to curb inflation. As some of you may remember, at the beginning of his mandate, Brian Mulroney organized a great Canadian forum to initiate a consultation process, which was a failure, but achieved his inflation–fighting goals by using the stick approach. Ontario was very prosperous at the time but it let its spending get out of control and now finds itself saddled with an annual deficit of $10 billion. We were never able to make people listen to reason.

Part of the problem is that we have to realize our economic potential as soon as possible without causing inflation. That is why we need economic growth. We see that, in the last year, government revenue went up by between 7 per cent and 8 per cent because more people are working and therefore paying more taxes. UI benefits went down not only because of the cuts but also because more people are working. We still have a way to go before realizing our full potential.

On the other hand, the actions taken by the Bank of Canada and the stick approach that was used have made the Canadian dollar very volatile. Our dollar went from 69 cents to 87 cents, then back to 70 cents. We are playing with foreign investors' nerves by allowing the value of our currency to fluctuate by 25 per cent. This does not make any sense. We must hold economic consultations so that these fluctuations can be avoided.

If Canada's interest rates are what they are today, it is partly because of the debt, but also because confidence in the Canadian dollar has been shaken by our inflation–fighting policy.

• (1350)

I am not saying that it would have been better not to do anything about inflation. The problem is that we must use different methods to fight it. Many people say that we are living above our means. This is partly true. There is a very simple way to find out: one only has to look at our balance of international

payments. And now, with our dollar at 70 cents, we have restored that balance, to a great extent.

The challenge for investors and Canadians alike is to determine if we can hold on long enough. Our tourism deficit has gone down, and this year we will have a very substantial trade surplus of $17 billion, but we still have a cumulative debt on which we pay about $30 billion annually in interest payments to foreign investors.

Even if we start living within our means, compared with other countries, we have to keep paying, because at one time we spent more than we could afford, and now we are stuck with interest payments we have to pay abroad. This situation has to be turned around as well.

What makes people worried? Why was Moody's worried last week, for instance? Did Moody's say: Listen, social programs are too expensive? Not at all. Moody's said: Structural reorganization is necessary. For instance, there are practically no more fishermen left, but the Department of Fisheries and Oceans still has the same number of employees. The department has more employees that we have cod. This does not make sense.

The same thing happened at the Department of Energy, Mines and Resources. The national energy policy was abolished in the early eighties, but they kept the same number of employees they had when they were still managing this energy policy.

The federal government has increased its involvement in a wide range of sectors—and not only in areas under provincial jurisdiction—to the extent that it is no longer economically feasible. We need a major reorganization, and of course we are looking forward to the budget.

Relations with the provinces are a problem, not only because structures are unwieldy but because they are inefficient in some areas. Years ago we came to the conclusion that manpower training was essential, and in this particular area there was no agreement at all between the federal government and the provinces—and not just Quebec—and there is no way we can act effectively.

Of course in Quebec the situation is even worse. Why? For the simple reason that Quebec was Canada's first industrial heartland. This means we had more mature industries in the railway sector, shipbuilding, and so forth, than in other provinces. When these industries started shrinking, new industries came in. There was a very substantial restructuring of our economy, but we did not have manpower training to ease the transition for a machinist from the railway sector to the aeronautics industry. There were no resources to provide for that transition. The situation was worse in Quebec for the very simple reason that we had a much larger share of Canada's old economy.

The problem is now becoming acute in Ontario, because while Quebec's economy has largely been restructured, Ontario has a problem with its own mature and very mature industries like the automobile industry, where like recovery is temporary, and the steel industry. They now have to cope with problems that Quebec experienced 10, 15, or 20 years ago, problems we were never able to solve with the help of the federal government.

Reorganization is needed, and here I am speaking from the Canadian, the federalist point of view. I am not talking about being capable of developing our aspirations as a society. I talked about it this week in the debate on the Young Offenders Act, when referring to the fact that Quebec's perspective was entirely different from that of the present Minister of Justice. I could have elaborated on this, but there is a big problem, even if we wanted to stay in Canada.

[*English*]

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I would like to begin by saying to the member for Rosemont that I too share his view that the obsession with ratcheting inflation down to zero per cent during the last four years for all intents and purposes killed the economy of this country. It broke the entrepreneurial spirit of thousands of small and medium size business men and women, which ultimately led to unemployment numbers that we are still fighting to cope with and put people back to work.

• (1355)

My concern is the fact that the member did not put forward some specific recommendations on how we can fire up that economy again. I realize that the member talked about excessive numbers of public servants when we have done some downsizing in energy and other departments of government. The cost by having those public servants working or the savings that would have been made is not enough to really get this economy going again.

I wonder if the member would put a couple of specific recommendations on the floor of this House on how we could fire up this economy and get people back to work. As I have said, it is important to have fiscal discipline in this country but my concern is that we are not spending enough creative time in dealing with constructive ways, creative ways on how we put the 2.2 million people who are unemployed in this country back to work.

Could the member put a couple of specific ideas on the floor of the House?

[*Translation*]

Mr. Tremblay: Mr. Speaker, I would like to thank my colleague for his question. Given our time constraints, I would refer him quickly to the ten recommendations by the Bloc Quebecois which he may read himself instead of my listing them now.

I think it is clear that if we want everyone to put his shoulder to the wheel, and that is what these recommendations are based on, people must share the same concept of fairness. In our recommendations, clearly, we denounced tax situations which are totally unacceptable. I think fairness is the essential foundation upon which dialogue and the will to work together are based. I am referring for instance to family trusts, to the delay in reviewing the Income Tax Act in regard to resource companies, and to the fact that they are now to be given up to $1.2 billion. It is therefore an issue of fairness.

There is also an issue of effectiveness which involves occupational training first of all. Even if jobs are presently being created in certain sectors, we know that occupational training must definitely proceed at a faster pace to allow people to take those jobs.

My time is up, Mr. Speaker; as you can see, I could have gone on a few minutes more.

The Speaker: My colleague, you retain the right, if you wish, to resume speaking after question period.

It being 2 p.m., pursuant to Standing Order 30(5), the House will now proceed to Statements by Members, pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[*English*]

THE BUDGET

Mrs. Rose-Marie Ur (Lambton—Middlesex, Lib.): Mr. Speaker, as we approach budget day I would like to convey the concerns of my constituents of Lambton—Middlesex.

Taxpayers in my riding say they simply cannot absorb any more tax increases. While they can appreciate that this year's budget must be a tough one it should not be at the further expense of middle class Canadians.

On behalf of my constituents I would ask that the Minister of Finance not raise personal income tax rates. He should also note that for millions of Canadians RRSPs will be their main source of retirement income. The minister should focus instead on meaningful spending cuts and more efficient delivery of government programs and services.

The residents of my riding are very aware of the pressing need to reduce and eventually eliminate Canada's deficit, but there has to be fairness in accomplishing this goal. If the sacrifices are spread fairly then I am convinced that all Canadians will support us in our efforts to put this country's financial house in order.

[*Translation*]

FRANCOPHONES OUTSIDE QUEBEC

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, many debates in this House have revealed how reticent and hesitant federal politicians are to call attention, with figures to back them up, to the shameful way too many francophones are treated outside Quebec.

Federalists never mention the 38 per cent rate of assimilation of Franco-Ontarians, the 75 per cent rate of assimilation of francophones in British Columbia or even the 8 per cent figure for Acadians. These unfortunate data clearly contradict the claims of the supporters of federalism, who say nothing about the fact that these francophones must continue to fight for schools, health services, government services and cultural services.

The rest of Canada continues to watch indifferently as francophones are assimilated, while federal politicians continue making unfounded claims about the havoc Quebec sovereignty will wreak on these communities.

This is disgraceful and cowardly.

* * *

[*English*]

DANGEROUS OFFENDERS

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, in January I was starting a public meeting at Sicamous in my riding when a woman handed me a bag full of yellow ribbons. She said that the abduction and murder of Melanie Carpenter in mid-afternoon from her place of work was something Canadians should remember by wearing or displaying a yellow ribbon.

I then spoke about private member's Bill C-240 which would make it easier to designate convicted criminals as dangerous offenders. Had Bill C-240 been in force, Melanie Carpenter would be with her loved ones today.

Last week I received a fax from Sicamous saying that there are hundreds of yellow ribbons along the Trans-Canada Highway and down Highway 97A. People want to see a highway of yellow ribbons reaching all the way to Ottawa to prompt Parliament to act now.

I ask all hon. members to speed Bill C-240 through the justice committee and third reading so that others are protected from the tragic fate of Melanie Carpenter.

* * *

W. A. PORTER COLLEGIATE INSTITUTE

Mr. Tom Wappel (Scarborough West, Lib.): Mr. Speaker, I would like to extend my congratulations to the students and staff of W. A. Porter Collegiate Institute in my riding of Scarborough

West on the grand opening of the greening of this institute. Under the environmental citizenship initiative, Environment Canada and Future Watch Environment and Development Partners have worked together to carry out this project.

What will be accomplished is the creation of a frog pond, the naturalization of school grounds, collection of indigenous tree seeds for growth in the school greenhouse for replanting in the wild, and stream clean–up.

This project is possible because of the support of community partners, in particular Canada Trust's Friends of the Environment, the Ontario Secondary School Teachers Federation and of course, the students and staff of W. A. Porter Collegiate Institute who are translating their environmental concerns into tangible action.

* * *

PEARSON INTERNATIONAL AIRPORT

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.): Mr. Speaker, there are over 550 licensed taxi and limousine drivers working from Pearson International Airport.

Insurance increases of 21 per cent, cost increases of 6 per cent and a 25 per cent reduction in fares are creating a situation where operators may be forced to apply for unemployment insurance. The real threat to the livelihood of these operators however is the illegal practice of scooping, the theft of business by unlicensed, uninsured illegal operators.

I urge the Solicitor General and the Minister of Transport to redraft the government airport concession operations regulations, put teeth into the enforcement process and curb the theft of an estimated $6.5 million in legitimate business.

* * *

GRACE PINE

Mr. Morris Bodnar (Saskatoon—Dundurn, Lib.): Mr. Speaker, I wish to bring the attention of the House to the accomplishments of Grace Pine, a constituent of mine. Grace Pine recently received the Saskatoon citizen of the year award for her contributions to Saskatoon.

Grace Pine has had a distinguished career, including the directorship of the laboratory at the Fort Qu'Appelle Tuberculosis Sanatorium and subsequently volunteering with the Saskatchewan Anti–Tuberculosis League. In 1967, Mrs. Pine helped to found the Saskatoon chapter of Save the Children Canada.

The volunteer organizations which have benefited from her time and support include the Saskatchewan Council for International Development, the Canadian Catholic Organization for Development and Peace, the Saskatchewan Environmental Society, and the Saskatoon Native Theatre.

A colleague wrote of Grace Pine that she has been a role model for many who believe that we live in a global community and that we have a responsibility to those who have less than we do. These are truly words by which we should all live.

* * *

[*Translation*]

FÉDÉRATION DE L'ÂGE D'OR DU QUÉBEC

Mr. Maurice Godin (Châteauguay, BQ): Mr. Speaker, Quebec's seniors federation or Fédération de l'âge d'or du Québec yesterday added its voice to the debate of the draft bill on sovereignty at the Commission des aînés sur l'avenir du Québec.

• (1405)

I will repeat the warning the federation gave to all those using scare tactics, to the effect that it hopes the debate on the draft bill would be conducted in all openness and honesty and that the use of fear, real mental cruelty, whatever form it takes, would not be any part of it.

Seniors remember the fear campaigns and alarmist speeches of the 1980 referendum campaign. Never again will we be victims of this blackmail, with the cheque bearing the maple leaf as the ransom. Everyone pays for this cheque with their taxes.

* * *

[*English*]

EMPLOYMENT EQUITY

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, after 25 years of negative experience, affirmative action is under fire all over the United States. In June the Supreme Court may discard it altogether because of the growing body of evidence against it. However, in Canada the Liberals plod ahead in spite of evidence and public opinion proposing expansion of employment equity provisions through Bill C–64.

Employment equity encourages a mentality of victimization among Canadians. It harms morale in the public service and damages the self–esteem of designated groups. It poisons the workplace when jobs are awarded on the basis of sex or skin colour. Employment equity is costly and it overlaps with provincial and municipal programs.

While the government should ensure equality of opportunity and not equality of results, this government is now legislating offensive practices of discrimination.

Employment equity is unjust. It is expensive. It will not work. It is bad policy. Though well intentioned, it is wrong for Canada and the government must shelve this discriminatory legislation. No more C–64.

MUSHING FOR MIRACLES

Mr. David Iftody (Provencher, Lib.): Mr. Speaker, Mushing for Miracles is a community based campaign consisting of dogsledders from Ontario, Manitoba, and even Italy. They are on a 1,200 kilometre trek through communities in southern Manitoba to raise money for cancer research and camps for children with cancer.

I wish to thank Bob Draward and Doris Prefontaine from Lorette and all the people in the participating communities such as Lac du Bonnet, Whitemouth, Hadashville, Richer, Steinbach, St. Pierre–Jolys, Morris, Altona and Lorette who made financial contributions to make the challenges of young cancer victims less of a burden.

I want to let those children know that they are not alone in their battle. The people of Provencher are there to stand with them.

* * *

ENERGY EFFICIENCY

Mr. George S. Rideout (Moncton, Lib.): Mr. Speaker, I would like to bring to the attention of the House this government's commitment to energy efficiency. At the same time Canadians are concerned with a secure supply of reasonably priced energy and the environmental impacts of energy supply, transportation and use.

In an effort to move toward sustainable development these objectives must be balanced. Improved energy efficiency can contribute greatly to meeting our long term environmental goals.

We have begun the process to improve efficiency in our facilities through the federal buildings initiative. Cabinet ministers are committed to this initiative. The Minister of Natural Resources has undertaken to make Natural Resources Canada the most energy efficient department in the federal government.

[*Translation*]

At the same time, we must strike a balance between economic development and improvements, for the environment's sake. With state–of–the–art technology and co–operation from all sectors, we can map out a strategy for Canada and rise to these important challenges.

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THE LATE LOUIS P. CÉCILE

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, the riding of Glengarry—Prescott—Russell is saddened by the loss of one of its most eminent citizens, the Hon. Louis P. Cécile. A native of Tecumseh, Ontario, and lawyer by trade, Mr. Cécile was first elected to the Legislative Assembly of Ontario in 1948. He was re–elected in 1951, 1955, 1959 and 1963. During his long political career, he held three different cabinet portfolios.

After this illustrious career, he became an Ontario provincial court judge, a position he filled until he retired in 1980. On behalf of all of my constituents, I extend my heartfelt sympathy to his son Pierre and his daughters, Louise and Anne–Marie. Through his deeds, Louis Cécile will go down in the region's annals of history. His name will live on in our memory forever.

* * *

COUNCIL FOR CANADIAN UNITY

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, I want to denounce the behaviour of the Council for Canadian Unity, an organization generously funded by the federal government, which is bent on systematically keeping a record of the witnesses who speak before the regional commissions on sovereignty. We do not know what exactly the council hopes this kind of tactic will achieve, but we note that those who defend Canadian unity continue to be obsessed with compiling lists of sovereignists.

• (1410)

This practice is utterly reprehensible in a democratic society and is all the more unsettling, since it is being used when democracy is being expressed at its purest, during prereferendum consultations.

No democratic society can stand for the use of intimidation tactics to erode the right of its citizens to freedom of speech. These tactics are worthy of Big Brother and have no place in Quebec and Canada.

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[*English*]

THE BUDGET

Mr. Allan Kerpan (Moose Jaw—Lake Centre, Ref.): Mr. Speaker, a certain member of this House has recently reminded Canadians that he was Minister of Finance during the years 1977, 1978 and 1979. The budget deficits for those three years were $10.4 billion, $12.6 billion, and $11.5 billion for a three year total of $34.5 billion.

One can add up the budget deficits from 1976 all the way back to 1954, the first post–war budget deficit year, and only get to a total of $25.9 billion.

History tells us that two Liberal finance ministers went on a spending spree and overspent more in three years than their predecessors had overspent in 21 years. Canadians turfed that irresponsible government out in 1979.

Do you know who the Minister of Finance was for the 1978 and 1979 budgets? Why of course, it was the present Prime Minister. This country cannot afford the kind of experience that was brought to us by the present Prime Minister.

CORRECTIONAL SERVICE OF CANADA

Mr. Chris Axworthy (Saskatoon—Clark's Crossing, NDP): Mr. Speaker, today I raise the issue of the Correctional Service of Canada's policy on strip searches of women prisoners and the atrocious mishandling of some of these women by male corrections officers at Kingston's prison for women on April 22, 1994.

Following an investigation by CSC officials, it was suggested that appropriate measures were taken in using the riot squad which includes male prison staff to strip and search the women and their cells.

CSC's policy states that searches should be conducted by members of the same sex, except in cases of institutional emergency. It is now clear that the female prisoners behaved in a passive manner and offered no physical resistance. This is a complete contradiction to the official version of events offered by the CSC which is nothing more than a one–sided whitewash of the incidents that occurred.

I am pleased that the Solicitor General has finally acted today to investigate this serious question. Serious issues still exist with regard to the lack of energy and speed with which the commissioner of the Correctional Service of Canada and the Solicitor General pursued this matter.

The Solicitor General needs to pay much more careful attention to the activities of the Correctional Service of Canada.

* * *

REFORM PARTY POLICY

Mrs. Jane Stewart (Brant, Lib.): Mr. Speaker, after having the opportunity to read what the Reform Party really plans for Canada, I believe there are some serious questions Canadians must ask about their alternative budget.

What is the true impact going to be for Canadian seniors? At what income level will benefits start to be clawed back, $40,000, $30,000 or $20,000? How can Reform members talk about national standards on one hand while large cuts to equalization payments will restrict the ability of some provinces to deliver similar levels of service to their citizens?

How do those 86 per cent of Canadians with incomes below $20,000 who already do not make contributions to RRSPs find the resources to make sufficient contributions to cover unemployment insurance, retirement, post–secondary education and personal catastrophes? And will these resources be sufficient during tough economic times?

Canadians understand that tough problems do not always have simple solutions. I hope Canadians ask these and many other questions so that they can understand the impact these proposals may have on them, their families and the very essence of Canadian society.

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[*Translation*]

VETERANS

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, the men and women who served our country in the two world wars have cause for concern today. They have just learned that an independent Quebec would not pay them the veterans' pension.

Jean–Pierre Jolivet, the member for Laviolette and Parti Quebecois whip said, in the context of the proceedings of the Mauricie–Bois–Francs regional commission, that Quebec would not be paying all pensions. Quebec would not be paying the veterans' pension, for example.

In addition to the veterans' pension, the member for Laviolette could perhaps tell people now what other pension plans the government of an independent Quebec would be dropping.

ORAL QUESTION PERIOD

● (1415)

[*Translation*]

INTEREST RATES

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, with Moody's now monitoring the credit rating of the Canadian government, interest rates have moved upwards. Today, the Bank of Canada has just increased the bank rate from 8.07 per cent to 8.38 per cent.

Does the Minister of Finance acknowledge that this pressure from the financial community, which caused interest rates to rise last week, is growing and, with the approach of his upcoming budget, is he prepared to cut the operating costs of the federal system, including in the area of overlap and duplication, before interest rates rise significantly?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Yes, Mr. Speaker.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, will the Minister of Finance acknowledge that the pressure from the financial community is a signal that he should tackle the deficit problem by making massive cuts in government spending, which has to be the preferred approach, rather than raise the taxes of the middle class, as he himself proposed, which would considerably delay an economic upturn?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Yes, Mr. Speaker.

An hon. member: He is going to vote yes.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, I note that the Minister of Finance favours a yes.

Some hon. members: Hear, hear.

Mr. Gauthier: Mr. Speaker, I hope I can get a "yes" to my third question.

While tackling the deficit by significantly reducing expenditures, does the Minister of Finance intend proposing to the Bank of Canada that it adopt a monetary policy that is less restrictive, less focused on the fight against inflation and more concerned with economic development and job creation?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, as the hon. member knows very well, we have established objectives with the Bank of Canada concerning inflation. This agreement has served Canada very well, and we intend to go on with this policy.

Having said this, I would like to congratulate the hon. member on his very clear questions.

* * *

TAX LOOPHOLES

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot, BQ): Mr. Speaker, the finance minister himself stated yesterday on the CBC that he is well aware of the tax loopholes which he must close to ensure that the wealthiest Canadians do their fair share to correct the fiscal situation. Unfortunately, the minister once again targeted social programs in his strategy to combat the deficit.

Can the finance minister tell us when he will bring down the upcoming budget, and can he tell us whether he will have the courage this time to tackle the real tax loopholes of wealthy Canadians which he claims he knows so well, while leaving unscathed the unemployed, persons receiving social assistance and senior citizens?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, we addressed tax loopholes in the last budget. In regard to the upcoming budget, I have indicated that this will be an important avenue to pursue.

Having said this, I shall answer the hon. member's second question. As you know, an old tradition in the House has it that the finance critic for the opposition asks the finance minister the date of the budget. Unfortunately, this tradition was put aside under the previous government and we are pleased to revive it.

I would like to answer the hon. member by saying that the budget will be brought down on Monday, February 27, at 4.30 p.m.

[*English*]

Once more bringing to life a tradition that existed in the House for a long time which the previous government had set aside, it is my pleasure to announce that the budget will be presented Monday, February 27, at 4.30 in the afternoon.

• (1420)

[*Translation*]

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot, BQ): Mr. Speaker, I would like to thank the Minister of Finance for his only truthful answer in some time, I thank him for stating the date of the budget.

I would like to ask him whether, when his upcoming budget is brought down on February 27 at 4.30 p.m., he will tackle the real tax loopholes benefiting wealthy Canadians, including tax treaties signed with countries which provide endless loopholes and are regarded as veritable tax havens?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, we have many agreements with many countries. Moreover, such agreements are part of international trade, but I can re–assure the hon. member on his specific question about tax havens. We tackled them in the last budget and we intend to continue doing so.

* * *

[*English*]

THE BUDGET

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, today the Reform Party outlined a taxpayers' budget that would eliminate the deficit in three years through spending cuts alone.

We did so because many Canadians believe, and the international money markets agree, that the Liberal government's deficit reduction target is too weak and that the government is squandering its one opportunity to get federal spending under control.

Will the Minister of Finance, even at this late date, even if it means putting an addendum into his budget, revise the upcoming federal budget to set a firm target date for the elimination of the deficit rather than just its reduction?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, one of the things that we wanted to do when we set up the consultation process was to encourage as many Canadians as possible to participate in the formulation of the budget and to make their comments on the budget.

I would like to take this opportunity, now that we are getting very close to the ultimate thing, to thank all of those who participated, certainly members of my own caucus.

There were some very live debates within our caucus. All points of views were expressed. I would like to thank those on the outside, whether it be the senator for policy alternatives, whether it be a number of major organizations.

I would like to thank the Reform Party for its effort this morning. I think that it has tried to elevate the debate. I look forward to the opportunity of debating the details of the Reform proposition as soon as I am able to discover it.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, I appreciate the reply but we were asking about revising the government's deficit reduction target. The minister has repeatedly mentioned rolling two year targets for the deficit. We ask, is the minister listening to the money markets?

I quote Avery Shenfeld, senior economist at Wood Gundy, that a two–year target at the top of the business cycle is not going to satisfy creditors. The Bank of Nova Scotia vice–president stated that making non–ambitious two–year targets is really not what is needed. Moving toward a balanced budget is what investors want to see.

Given the fact that our creditors, the people that are putting up $40 billion to cover the overdrafts, have no faith in the government's fiscal plan, will the minister abandon the idea of rolling two–year deficit targets and set a firm date for deficit elimination?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I made the same comment on Friday. The problem with members of the Reform Party is that they are so desirous of rehearsing their spontaneous lines for after the budget, they cannot wait until it is presented.

Let me assure the House that when the budget is brought down, the desires of those who want to see us clean up the nation's finances in a humane way that will allow Canadians to get back to work while still respecting the values of the country, one of which is that governments should live within their means, will be very satisfied with the budget.

• (1425)

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, my final supplementary question is for the Prime Minister.

Since the government's last budget, the Canadian bank rate has gone up by 4 per cent. It went up again today. The Canadian dollar has fallen by three cents. Canada is in danger of losing its AAA credit rating and its social services network is unravelling. These are just four of the consequences of the government's fiscal policy.

Does the Prime Minister accept any personal responsibility for these consequences? Does he want to go down as the Prime Minister that drove the debt through he ceiling and the dollar through the floor or will he order a mid–course correction in the government's fiscal policy?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I would like to be remembered as running a very good government with a very good Minister of Finance, a government that has performed with 4.3 per cent growth rather than 3 per cent, with virtually zero inflation, with 450,000 new jobs created in a year.

This is the first government since 1990 that has managed to have an operating surplus and that predicted a deficit of $39.7 billion. The actual deficit will be lower than that.

I would like to be remembered for all of that.

* * *

[*Translation*]

DAIRY FARMERS

Mr. Jean–Guy Chrétien (Frontenac, BQ): Mr. Speaker, my question is for the Prime Minister.

Canadian dairy farmers are urging the Canadian government not to give in to Washington, which is trying to pressure the government into going back to the negotiating table for tariffs on dairy products, following the implementation of the new GATT agreements.

Does the Prime Minister plan to tell President Clinton that Canada intends to unequivocally defend farmers and to tell him in no uncertain terms that Canada has no intention of negotiating any reduction in the tariff rates approved in the GATT?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I met with farmers from my riding last Friday, and I had the pleasure yesterday of meeting with the president of UPA and other leaders of Canadian farm organizations. I assured them that Canada's position is quite clear: the GATT agreement reached last December gives us the right to maintain tariffs at their current levels and Canada's position is absolutely logical and defendable. We intend to say this clearly to the American president when he comes to this House.

Mr. Jean–Guy Chrétien (Frontenac, BQ): Mr. Speaker, given the Prime Minister's reply, will he assure us that Canada will not hesitate to bring this issue before a WTO panel, if the Americans push the issue?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, from one "Chrétien" to another, yes.

[*English*]

SOCIAL SERVICES

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, this year the Canadian government paid out about $43 billion in interest. Next year we will have to pay about $47 billion in interest. That means we will have $4 billion less to spend on social security next year than we had this year.

What does the finance minister intend to cut from spending so he can pay this extra interest on the debt he is building up?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I will be bringing down the budget on Monday. At that point the member for Calgary North will have the answer to her question.

The member for Calgary North has just made an interest rate estimate. The interest rate estimate of this afternoon is not the same interest rate estimate that was made in the presentation this morning. I would like to know what happened in the last couple of hours.

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, the finance minister should re–examine the presentation.

The government talks a lot about compassion.

• (1430)

Where is the compassion in eroding the sustainability of our social programs because this government cannot get a grip on its spending? What will happen to our social programs if the interest drain continues?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the member talks about compassion. Where lies the compassion in a program that says they are going to cut equalization payments to the poorest provinces in this country? Where is the compassion in a program that says they are going to decimate the health care system? Where lies the compassion in a program that the third party has put forward in terms of cuts to senior citizens that would mean that the clawback currently at $53,000 would begin for senior citizens at $11,000?

Some hon. members: Hear, hear.

* * *

[*Translation*]

CANADA COUNCIL

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, my question is for the Minister of Canadian Heritage. In its foreign policy statement, the government clearly indicated its intention to make culture the cornerstone of this policy. Yet, the Minister of Foreign Affairs has cut Canada Council funding for the visiting foreign artists program, which will be replaced with an exchange program with the U.S. and Mexico exclusively.

Does the heritage minister recognize that redirecting this program towards the United States and Mexico will have a direct negative impact on francophone artists, whose main market is found in French–speaking countries around the world?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, any decision affecting the Canada Council will be made as part of its own budgetary process and by its own board of directors. I think that the direction taken by my colleague to spur cultural exports within North America is not at all designed to hinder our efforts with respect to Europe, and France in particular.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, are we to understand that the government's decision flows directly from its foreign policy, which is premised upon the existence of a single, hypothetical Canadian culture, thus denying the uniqueness of Quebec's culture, Quebec being the largest French–speaking community in North America?

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, the hon. member will know that her question is based on inaccurate information and that no cuts were contemplated. It is true that inaccurate information was circulated, but contrary to what she may think, the program in question was not cut.

* * *

[*English*]

THE BUDGET

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, I noticed the Minister of Finance's attack on the Reform Party's suggestions for eliminating the deficit.

After the minister presents his budget, even if he is able to reach his weak interim targets, he will have added $100 billion to the debt or approximately $10 billion in annual interest payments and he will still have a deficit of $25 billion.

• (1435)

Is he going to tell Canadians where exactly he intends to find that $25 billion in additional cuts or is this party going to continue to try and hide the truth from Canadians?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, this party has made it very clear the way that was practised by the previous government, the

way the third party advocates, the setting up of wishful targets somewhere down the road, is not the way one achieves success.

The Prime Minister and I have already said within this House that this year not only are we going to hit our deficit target but we are going to do substantially better. It is the first time in a long time that a Canadian government has been able to say that.

It is going to be very clear to Canadians and those who analyse the budget that not only are we going to hit our targets but that we are going to hit our targets based on very prudent assumptions. We are going to set in place the track that is going to clean up this nation's finances. The member can put that in his pipe and smoke it.

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, I do not smoke.

The Minister of Finance has come up with a unique explanation of the failures of the previous government. He is the first one to explain that the Tories had standards that were just too high.

Today interest rates went up, the bank rate went up to 8.38 per cent, the highest level since this government took office. This is with increased warnings from not just Moody's but now Wood Gundy, Dominion Bond Rating Service and others that the targets are not adequate.

Will the minister not admit that the markets are already saying that with this government's targets Canadians will pay millions of dollars more a year on higher interest rates, higher borrowing and higher mortgage costs?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, it is with some difficulty that I find that the members opposite continue with doom and gloom and continue to try to attack a country which in terms of its economy is doing very well.

The member is simply not stating the facts. If he read Moody's statement he would have seen there was a general comment on the level of public debt in this country both at the federal level and at the provincial level. There was a very clear trend set out going back a number of years in terms of what previous governments had done and the failure of Canadian governments to come to grips with their problems. There was no comment on this government, our targets or the forthcoming budget.

I would ask the hon. member, if he is going to ask questions, for heaven's sake please base them on some fact.

* * *

[*Translation*]

KINGSTON PRISON FOR WOMEN

Mr. Bernard St–Laurent (Manicouagan, BQ): Mr. Speaker, my question is for the Solicitor General.

Members of the Kingston correctional services riot squad responded to an emergency at the Kingston Prison for Women in 1994. In her report on this incident, the prison warden lied, saying that only female guards responded, when a video proves otherwise.

How can the Solicitor General justify the fact that such degrading incidents occurred at the Kingston Prison for Women and that the prison warden subsequently lied to hide the truth?

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, on January 20 there was a report released by an internal commission of inquiry set up by the commissioner of corrections under the Corrections and Conditional Release Act.

However, just last week I received another report from the correctional investigator into the same situation which provided quite a different set of conclusions in respect of facts and interpretation.

As a result of the conflicts between these two reports, the commissioner of corrections recommended, and I agreed, that there should be an independent impartial investigation to establish the base of facts. When that is done I will see what further action needs to be taken and I will take such action.

[*Translation*]

Mr. Bernard St–Laurent (Manicouagan, BQ): Mr. Speaker, as part of what needs to be done in order to clearly convey the message that he does not condone this kind of behaviour on the part of correctional authorities, will the Solicitor General seek the immediate suspension of the warden of the prison for women in Kingston, Ontario?

• (1440)

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, matters of discipline of staff are the responsibility of the commissioner of corrections.

I think the first thing to do is carry out the inquiry that I announced today, to have a basis of fact on which to take further action inasmuch as there have been two reports both set up under the CCRA and which have reached opposite conclusions on the same situation.

This is the sensible approach and this is the one I am taking as quickly as possible.

SOCIAL ASSISTANCE

Ms. Shaughnessy Cohen (Windsor—St. Clair, Lib.): Mr. Speaker, my question which is in pursuit of compassion is for the Minister of Human Resources Development.

After today's rather scary announcement the women of Canada are breathing a collective sigh of relief that the Reform Party is not the government. Women want social security reforms to be sensitive to their plight and to that of their children. I know the minister has met with many women's groups and I know he is very concerned about child poverty.

What measures has the minister taken to address the needs of Canadian women and their children?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, one of the most important developments has been as a result of the changes and amendments we made to the Unemployment Insurance Act last year. Close to 200,000 low income Canadians with children and who are on UI assistance now receive close to an additional $1,000 a year as a result of the reforms to the UI system. We differentiated between the basic benefit and the benefit based upon dependency.

It shows that when we can make serious reforms and look at it properly and constructively, we can really help poor people, not blow torch them, as the Reform Party wants to do.

* * *

PROVINCIAL TRANSFERS

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, the taxpayers' budget released today by the Reform Party established a long term process for decentralization whereby the federal government would transfer tax points to the provinces so that the provinces could better deliver core services in the areas of health care, advanced education and welfare.

How can the finance minister consider the transfer of block funding to the provinces without clear guidelines on the best way to spend the money from the minister responsible for social programs?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I am not going to get into details of the budget which is going to be presented on Monday.

The question I have after looking at the thing this morning is how can the third party say that it is going to reduce the deficit when at the same time it is transferring tax points which are necessary to bring the revenue in so that it can reduce the deficit? There is major evidence of double counting that I would really like to understand. Perhaps the member might explain it in his supplementary.

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): The minister talks about compassion. If you have cancer the best thing you can do is cut out the tumour—

The Speaker: I would ask the hon. member to please address the Chair.

Mr. Breitkreuz (Yorkton—Melville): Mr. Speaker, through you to the finance minister, I was trying to give the example that the most compassionate thing you can do if someone has cancer is cut out the tumour and not simply say: "Continue your lifestyle. Go home. All is fine".

My question is for the Prime Minister. Since the human resources development minister failed to come up with a proposal for reform of social programs, how will reforms be developed and who will do it?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the Minister of Human Resources Development has laid out a very clear plan and a very clear concept for the reform of social programs.

The fact is that we are on schedule. The House of Commons committee on social reform has reported. There has been enormous debate within this country which is an essential part of building the consensus. We are on schedule in terms of the budget. Social security reform is going to be a very important part of the budget.

• (1445)

The continuous reforms the minister is engaging in will enable us to build a stronger and much better Canada.

* * *

[*Translation*]

CANADIAN SECURITY INTELLIGENCE SERVICE

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, the Solicitor General of Canada stated yesterday that last year's thorough investigation into the activities of CSIS informer Grant Bristow concluded that Bristow did not act improperly. My question is directed to the Solicitor General.

How can the Solicitor General say there was a thorough investigation into the Bristow affair when the director of the Security Intelligence Review Committee has stated that committee members did not view the videotape incriminating Brant Bristow, even if though it was available? What kind of investigation was that?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I am satisfied that the SIRC will want to review the tape and determine if further investigation is required in the light of

such activities. I think that is what we would expect from a standing commission of inquiry like the SIRC.

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, yesterday it was a thorough investigation, today it is not. I just cannot understand how this service works.

Are we to understand from the Solicitor General's refusal to reopen the investigation that he does not want to fully investigate CSIS activities and that he is satisfied with Grant Bristow's decision to go away?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, the SIRC operates at arm's length from the minister and the Canadian Security Intelligence Service. I believe the SIRC is fully empowered to conduct further investigations if it sees fit to do so.

Again, why are the hon. member and his party trying to give credibility to the Heritage Front? I am very curious to know.

* * *

[*English*]

TAXATION

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, yesterday the Canadian Taxpayers Association presented the government with a quarter of a million signatures of taxpayers saying no tax increase. The minister will be happy to know that I was one of the people who carried sacks of mail up to the minister's office.

Has he got the message yet, that there are to be no tax increases?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I saw the hon. member's picture in the paper.

I must say that members on both sides of the House in response to their own constituents have made it very clear to the government and to the Minister of Finance that Canadians really feel they are suffering from an undue tax burden.

It is something the government is very conscious of and it is not our intention in the next budget to proceed primarily through tax increases. I have made it very clear that we are going to proceed overwhelmingly in cutting government spending.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, I would encourage the finance minister, when he gets through the 30,000 letters we delivered yesterday, to read our taxpayers' budget because we have balanced it without any tax increase.

What could the finance minister tell Canadians who are already providing his government with $120 billion to convince them that it should have more?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I have not wanted in the House, out of due deference to the fact that it was only presented this morning, to engage in debate on the package presented by the third party.

Let us be very clear. First, it causes an enormous amount of harm to very poor Canadians who are unable to adjust. Second, it is totally lacking in details. The devil is in the details. If they are going to do a budget they should at least have the courage to say what they are going to do and not have vague concepts. Third, which is very surprising, that budget does not eliminate the deficit in three years the way the Reform Party said it would.

* * *

• (1450)

JUSTICE

Mr. Benoît Serré (Timiskaming—French River, Lib.): Mr. Speaker, my question is for the Minister of Justice and is not on gun control.

[*Translation*]

Recently in my riding, I held two public forums on family violence. There was unanimous agreement on the need for such forums on a national scale in order to develop a comprehensive strategy to tackle this serious problem.

Is the minister prepared to endorse the principle of holding such national forums and to assign a member of his staff to help me organize them?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, first may I say how highly I regard the initiative demonstrated by the member in convening and conducting the forums to which he has referred.

May I say as well that we learn from these events. I know that the member has shared with caucus some of the points made during the forums in his riding. He has set an example for the rest of us in the House of Commons of the kind of action we can take locally to increase the awareness of people with respect to the scourge in Canadian society.

I would be more than happy to endorse that approach and to work with the member in whatever constructive way possible to ensure that kind of activity is repeated across the country.

SOCIAL PROGRAMS

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, considering the lopsided debate that has occurred regarding the fundamental causes of our large debt with some parties blaming social programs, my question is for the Minister of Finance.

Would he confirm this afternoon that when it comes to funding social programs the proportion of expenditures on social programs in relation to the GDP is the same today as it was back in the mid–1970s?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the point raised by the hon. member is a valid one.

It is simply nonsense to make our social programs the scapegoat for the deficit. The reason we have a very high deficit is unfortunately the curse of compound interest, the fact that successive governments have allowed that debt to build up too high.

The government is now stuck with a terrible problem. It is not a question of ideology but a question of arithmetic. The member's question is very well taken.

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, we are trying to balance this lopsided debate. The minister acknowledges that social program expenditures have not caused the huge deficit and debt base in the country. He referred to the fact that one cause was compound interest.

Would the minister confirm that a 1991 study from his department indicated that 96 per cent of our accumulated debt since 1984 was the result of compound interest on the debt and, more important, a whole set of tax loopholes as well?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, there is no doubt that tax loopholes and tax expenditures have deprived the government of needed revenue.

On the other side of the question we must really admit that a number of those tax expenditures had a very specific policy objective. In fact it was very important to accomplish those objectives.

The answer to the question is that it is not tax loopholes. It is not social programs. It is the curse of compound interest and the fact that the previous government simply did not face up to its responsibilities. We are going to do so.

[*Translation*]

NATIONAL DEFENCE

Mr. Jean–Marc Jacob (Charlesbourg, BQ): Mr. Speaker, my question is for the minister of defence.

Senior officers in the army live in sumptuous government owned houses for which they pay a ridiculously low rent. Rear–Admiral Larry Murray, for example, pays $519 a month for a home appraised at more than $389,000, and Lieutenant–General Scott Clements spends $581 a month for a home appraised at more than $657,000.

How can the minister of defence accept that enlisted personnel pay $569 for very modest accommodations, while senior officers pay the same amount for houses four times the size and much more luxurious?

[*English*]

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, some of the reports have been a little misleading.

In the case of the three service commanders, they live in accommodation that was paid for many years ago. They are somewhat large houses. Much of the house is used for entertaining dignitaries and others, and receptions of that nature.

• (1455)

We are trying to ensure that the portion of those houses they occupy for family reasons does accord to normal practices so that there is no disparity between what they pay and what ordinary soldiers pay.

[*Translation*]

Mr. Jean–Marc Jacob (Charlesbourg, BQ): Mr. Speaker, given the current state of public finances, how can the minister of defence justify retaining such financial privileges for high ranking officers, in spite of the reasons he has just stated, while the government is preparing to increase rents by 25 per cent for persons in public housing?

[*English*]

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I think I just gave the answer.

We want to ensure any regime that is in place with respect to rent applies fairly and equitably, no matter if the person is a general officer, a non–commissioned officer or a private.

I should point out that the government improved the basic pay for privates about a year ago before the freeze came on. It is of continuing concern to me that some of our soldiers allegedly are on social assistance. That matter is being looked into to see whether or not it is a pervasive problem and the reasons for it.

We hope to be able to address it through procedures that are in place.

* * *

IMMIGRATION

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, yesterday in the House the Minister of Citizenship and Immigration said that Polish refugee Artur Lasia was admitted to Canada not because he had HIV but because he was discriminated against based on his sexual orientation.

According to the IRB's own documents the minister was wrong. Mr. Lasia was accepted as a refugee solely because he carries the virus that causes AIDS.

At a time when our health care programs are stretched to the limit and the IRB has set a precedent for letting people like Mr. Lasia in for free medical care in Canada, how will the minister reassure Canadians that they are not losing their place in the queue for their own essential health care needs?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, the preamble to the question is incorrect in a number of areas.

First, the decision made with respect to the individual is not precedent setting because the fundamental foundation upon which the IRB adjudicates is that every individual case gets decided on its own merits. Some will make it; others will be refused.

Second, he knows full well that under the Immigration Act all immigrants coming to Canada have to go through two checks: the security check as well as the health check. He also knows that the majority of those found to be HIV positive are not permitted into the country.

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, I find it interesting that the minister would raise both checks, particularly the health care check and HIV.

The minister opposed the Reform bill for immigrant HIV testing. The minister is responsible for the people who have made the ludicrous decision that foreign HIV carriers deserve Canada's health care and the minister stands in the House—

The Speaker: Two kicks at the can. The question please.

Mr. Mayfield: Does the minister really support his scandal plagued IRB and its decision to accept people with illnesses who will be an unwarranted drain on our health care system?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, it is really unfortunate that on such sensitive issues members of Parliament should twist and turn the facts that bear no resemblance to the principles involved in this debate.

What is the Reform Party saying? Is the Reform Party saying that it is okay for a member of a political group who is being persecuted to make a claim, that a member of a religious group who is being persecuted is allowed to make a claim, but somehow it is not okay for a member of a social group who is being persecuted, whether it is sexual orientation or gender, to make a claim?

If Reformers are saying that, let us be assured that this side wants to have nothing to do with their kind of world.

* * *

• (1500)

WORLD SUMMIT FOR SOCIAL DEVELOPMENT

Hon. Warren Allmand (Notre–Dame–de–Grâce, Lib.): Mr. Speaker, my question is for the Minister of Foreign Affairs.

Next month the World Summit for Social Development will take place in Copenhagen to address the problems of global instability due to poverty and social injustice.

Will the minister say if the Canadian government has decided to support the 20:20 vision proposal and action plan at the summit? What will the government do to ensure the success of this important world meeting?

[*Translation*]

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, it is my pleasure to inform the hon. member and this House that the Minister of Human Resources Development will lead the Canadian delegation to Copenhagen. Furthermore, over the next few days, the minister will meet with representatives from the NGOs that will be taking part in the conference.

Lastly, I would like to remind the hon. member that in the foreign policy statement it issued a few days ago, the government reaffirmed its commitment that 25 per cent of all of the development aid it gives will be spent on basic needs, such as education, health and housing, as well as family planning and drinking water.

* * *

[*English*]

PRESENCE IN GALLERY

The Speaker: Colleagues, I would like to draw to your attention the presence in the gallery of His Excellency Josef Zieleniec, Foreign Minister of the Czech Republic, with an accompanying delegation.

Some hon. members: Hear, hear.

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY—THE DEFICIT

The House resumed consideration of the motion.

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, a major portion of Reform's so–called taxpayers' budget has to do with its radical proposals for a $15 billion cut in social security spending. This is an ill thought out proposal which we heard before from Reform during the social security reform process.

The reform of Canada's social programs is a necessary, valuable and timely exercise. Its impact will be better programs and services that deliver the best results. Its impact will be actions that meet our highest priorities. With those outcomes in the balance, it is a process that deserves thought, care and creativity.

To date, and I include today's debate in this comment, it is not a process to which the Reform Party has added much beyond shopworn clichés and one track slogans. That unfortunate reality was exemplified by the Reform members' contribution, if I can use that term, to the recent report of the Standing Committee on Human Resources Development. Much of the thinking, or lack thereof, that went into the Reform position also characterizes their interventions today.

Reform Party members appear to have a problem with social programs: they cost money. In their vision of Canada, families take care of their own and charities take care of the rest. This is just like the 1930s.

There is only one big problem for them in that vision: Canadians do not buy it. Canadians understand the value of social programs. They understand many of the flaws in the status quo and they want changes. However, they do not accept a social vision based on a déjà vu as the answer to every problem.

Today's Reform Party budget has a principle of equality of contribution which states that the burden of reduction must fall least heavily on the most vulnerable members of our society. Yet Reform's proposals would have completely the opposite effect.

• (1505)

Instead of helping those most in need, Reform Party members would cut seniors pensions by $3 billion. How would this help the most vulnerable in our society? They would eliminate all regional differentiation and all non–UI components. How would this help the poorest regions of the country, workers who need training or women who want maternity leave? They would cut aboriginal programs by 24 per cent. How would this help one of the poorest groups and arguably the neediest group of Canadians? They would cut equalization payments by $3 billion, or 35 per cent. How would this help the poorest regions of the country or Canadians who really need help?

These proposals would burden the most vulnerable members of our society, not help them. In the same vein, Reform's minority report was a sad collection of opinions desperately masquerading as fact. It showed the utter lack of depth in Reform members' thinking. It displayed a complete lack of attention to many of the important issues shaping our economy today, issues clearly outlined in the green paper released last fall.

Canadians deserve better and this government is determined to provide that. In my remarks I want to talk about the vision behind the government's perspectives on social security reform. I want to look at questions that face Canada and its social programs, questions for which the government has offered real proposals. I will then compare that to the silence or simplistic if not outright contradictory opinions of the Reform opposition.

Was the Reform minority report weak? This House may not simply take my word for it. Take the word of the hon. member for Calgary North. She was quoted in the Ottawa *Citizen* on February 8 that aspects of her party's report "were not thought through very well before they were rushed into print".

Canadians expect much more from their members of Parliament. I could not agree more and I can see no evidence of improvement in the position taken in today's debate. On an issue of this significance do Canadians not have the right to expect thoughtful analysis and vision? The government has done its part. Why have my hon. friends on the opposite side not done theirs?

Indeed, this government is committed to doing even more. Social security reform remains an integral component of the government agenda, rebuilding the system so that it meets the priorities of today and of tomorrow.

These are important issues and will meet the objectives set down in the green paper. What were they? It was to help Canadians get jobs and keep them. It was to help the most vulnerable in our society with the focus on child poverty. It was to do that in an affordable manner.

The report of the committee is one important contribution to determining how those changes will take place but of course it is not the only one. That takes me to the first point I want to raise in analysing the Reform's minority report.

The first issue the Reform Party raised was that of consultation. Reading Reform's comments one might think that this report was the beginning and the end of the consultation process, that some ideologically high bound government had decided to set up a sham process that would freeze Canadians out.

I ask these questions: Would this be the same government that has already received more than 40,000 social security reform workbooks from Canadians? Would this be the same government that has helped more than 200 members of Parliament hold town hall meetings on social security reform, drawing more than 20,000 people? Would this be the same government that has communicated with 7,000 people via Internet, 35,000 via a 1–800 number, as well as receiving 3,000 letters addressed to the minister directly?

• (1510)

This government is consulting. Reform Party members may not have liked to have heard from legitimate groups with valid perspectives as it travelled across Canada. They may have wished to have heard from more individuals, but you simply cannot make the leap from that complaint to the implication that there has been no opportunity for Canadians to offer comments. Far from it. This government has undertaken the most wide ranging consultation on any issue ever.

More than 100,000 Canadians have had their say in one way or another during the past year on this issue. Most Canadians do not accept the extremist views displayed by the Reform Party. They do not buy what Reform is peddling on social programs.

Canadians have made it clear that they want to see change, not destruction, and they are right. They believe governments must invest in people, address child poverty and support those individuals with low incomes. They are right. They believe we can do a better and more efficient job, and they are right. They want governments to work together and Canadians are right again. That is what the consultation process told us. That is what we, as a Liberal government, are prepared to do for the people of Canada.

The second issue the minority report raises is a complaint about the alleged lack of scope in this exercise. From the point of view of the Reform Party, all social programs are alike; they are all drains on the public purse and should be treated as such. Of course, this is not surprising.

The Reform symphony still only knows one tune, well over a year after its arrival in this House: the deficit is the only thing that matters. Of course the deficit matters. The government has been extremely clear on this issue. Our programs must be affordable. But the deficit is one consideration in designing a new social safety net. It is not the sole rationale for action or the sole test of options.

Reform's commitment to take $15 billion from social programs leaves so many unanswered questions. Time does not permit me to even start listing just a few of them. I am content to let Canadians ask Reform members instead. That is the Reform idea of scope.

For the government, the scope of this exercise is those programs and spending that relate to working, learning and security. The emphasis is on those programs that help people who are, could be, or will be in the labour market.

Health care does not fit this and it is undergoing its own study. The needs of seniors do not fit this and they will be discussed elsewhere. Canadians understand this. They understand that we want social programs that help people prepare for real jobs.

The so–called logic of the Reform Party would have included our defence and foreign policy reviews in this exercise. After all, does the deficit not matter in each of those too? No, the scope of this exercise is logical, intelligent and consistent.

That brings me to Reform's third issue of division in the committee's report and the green paper. Most of the Reform's position in both the minority report and today's debate is based on allegations regarding the government's vision of social programs and a mish–mash of ideas that Reform members trumpet as their own vision.

We can look and look through their comments and find a lot about the "how" of Reform's approach to slashing programs. What we will not see is any "why". Oh, there are claims about principles such as self–reliance and decentralization. But nowhere do we read a consistent, logical analysis of the social and economic issues facing Canadian families.

• (1515)

Nowhere do we find a thought through perspective on what social programs can do to help people and our economy. All we see is a series of other people's ideas and notes about programs that countries such as Chile and Singapore are trying. However, where is the social and economic vision to link them? There is not one.

What vision there might be lies between the lines. For example, Reform members continue to critique our work to expand the number of good quality child care spaces in Canada. In fact, not long ago they found one. It was an unpublished study which they claim shows that the product of child care will be a generation of depressed, stressed criminals. We are dealing here with people who read one report which has very little relationship to reality.

Given the real world, parents who must work to meet their family needs, how can they say those things? How can they ignore the mass of evidence that good child care can actually help kids, especially those from backgrounds which are far less privileged than those of the average Reformer?

Forcing women out of the workforce by drying up good quality child care is not my idea of a sound social or economic policy. However, stands such as that make the Reform vision for Canada obvious.

Now Reform members may say that is not fair, so let me ask my hon. friends to spell out the issues that face Canadians. What would be the most important priorities for social programs to address? How do we balance the competing demands for action, all of which have at least some legitimacy?

I ask this because I realize that in the world inhabited by the Reform Party there is only one issue, the deficit. There are no other challenges. Government should set aside all other priorities and just hack and hack until the debt is eliminated. That is the beginning and the end of their vision on any subject.

Obviously the deficit is a priority of the government. The need to bring expenses and revenues into line is essential. We are taking action to reach that goal, as we promised Canadians. However, Canadians expect governments to achieve many goals with intelligence, co–ordination and a sense of priority. The deficit is an important one, indeed a critical one, but it is not the only one.

Families, workplaces and the entire society have changed dramatically in the decades since many of the social programs were first envisioned. Unemployment insurance, social assistance and training programs were designed in days which were very different from today. Today workplaces are full of people who juggle home and family responsibilities, often as single parents. They take part time courses to develop new skills. They face uncertain career paths. Above all, they are required to be more flexible in every facet of their lives than ever before. They recognize their responsibilities but they also need some help.

Social programs can be improved to help people. We can identify the priorities for the limited funds that are available. That is the art of governing. It is what citizens have a right to expect from their government.

The proposals that the government has discussed with the provinces, business, labour, social action groups and all Canadians reflect that vision. All are rooted in the jobs and growth agenda which the Prime Minister set out in his speech in Quebec City at the Chamber of Commerce last September. As he noted, our social and economic priorities are linked closely together. We cannot meet the needs of Canadians without a strong economy. No strong economy is based on a society polarized into haves and have nots. We know social programs that respond to the most important needs can build our economy, even if the Reform Party does not want to believe it.

Let me discuss one aspect of our changing economy, learning. We are in a world in which skilled needs are changing faster than we can identify. We have a world in which people are challenged by new technologies and opportunities. The government's vision of social programs will realize the potential of these changes and help Canadians to harness them.

Compare that to the vision of the Reform Party.

• (1520)

I would ask my hon. friends where is their perspective on the training issues facing older workers? Where is their perspective on helping young people get real job skills that employers need in high technology fields? Where is the analysis of how to make life long learning work in an economy where people will change jobs and employers more often than ever before?

Any talk of a new economy is utterly absent in the comments of the Reform Party. The government believes in working with employers and workers to address the needs of their industries. Our work with sectoral councils has identified needs and initiated action plans.

What would Reformers do in the real world of these needs? Would they let the growth sectors of our economy wither? Would they claim that some magic tax cut will let them solve all of their problems? The government has done better.

For example, we have begun to address both the needs of industries and the employment problems facing young people through innovative partnerships. The government has entered into agreements with employers, workers and educators in fields such as horticulture, tourism and automotive repair under our youth internship program. We are working with them to develop the training that young people need to fill the skilled jobs that are available. We are working with them to create a climate that will attract even more job opportunities to our country.

Compare that to the do–nothing attitude of the Reform Party. We are working with provinces and territories to explore new and better ways of meeting the needs of people through our strategic initiatives program.

This example of federal–provincial co–operation is alive and well with many provinces. We are working with them on a pilot project called Integrated Training Centres for Youth. This is to help our young people.

I would like to conclude by saying that social security reform is a chance to recognize the real needs out there. The status quo does not meet them. It is a chance to cut today's suit to fit today's cloth and no one wants the tattered rags being flogged by the Reform Party.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, once again I am puzzled by some of the comments of yet another Liberal.

It seems as though Reformers do not have parents who are in need of OAS. It seems as though Reformers do not understand what it is to be responsible for 80–year old people, that Reform-

ers somehow do not have friends and acquaintances who are falling through the cracks of our economic cycle.

It seems as though we live in a vacuum and only those opposite have a way of understanding. I am sorry. We do have parents in their elderly years who depend on OAS. We do have people in our families who receive GIS. We do have people in our families and acquaintances who require child care. To characterize the Reform Party as not knowing or not understanding is just beyond my capability to understand.

Perhaps I could help this member understand why these people are in that position, why they are dependent on the social welfare and the social safety net in the country. It is because the spending of the government is destroying our ability to be able to provide for them. That is why we came forward with the plan today.

I find it really unfortunate that this member, along with many others, would choose to interpret the Reform document from some kind of weird perspective, as if we had landed from another planet. We represent the people in our constituencies. We represent people in this member's constituency. I had the privilege of conducting a couple of town hall meetings and getting input from people in his constituency. I reflect many of the values of many of his constituents.

With respect to the issue of learning, I would like to ask the member if he has had an opportunity of taking a look through our document to page 47 where we show our method of lowering cash transfers but giving the provinces cash points. In fact, the amount of funding available for health and for education under our scheme actually increases.

This is not cut and slash. This is a realistic budget which is more than I can say for the pipe dream that the government is continuing to give to us.

• (1525)

Mr. Bevilacqua: Mr. Speaker, let us talk about the pipe dream of the Liberal government. When we were elected on October 25, 1993, may I add, and I will submit to you there are some Reformers—

The Deputy Speaker: I would say this to all members. For reasons such as this we ask that members put their remarks to the Chair. Any time the word "you" is referred to, it is supposed to refer to whomever is in this chair.

Mr. Bevilacqua: Mr. Speaker, through you to the hon. member that attended a town hall meeting in my riding. There were people in my riding that voted for the Reform Party. Approximately 15,000 voted Reform and approximately 72,000 voted for me. I understand that some people may share their opinion, but we will see if we can rectify that in the upcoming election.

I would, first of all, like to address the concern raised by the hon. member, vis–à–vis the Liberal pipe dream. This is the same pipe dream that has put the economy back on its proper footing. We have created over 450,000 jobs since taking office, in co–operation and in partnership with the private stakeholders. We have increased the number of jobs for young people. We have the fastest growth of any of the G–7 countries.

These statistics illustrate to me, as an objective viewer of what is going on in Canada, that things are getting better with a Liberal government at the helm. May I also add that my thoughts are reflected far and wide throughout Canada. I was in Alberta last week and people are generally happy with the direction which the government has taken.

In reference to the deficit, we have used what I consider a more rational approach. We have targeted 3 per cent of GDP by 1996–97. It is reasonable. It is a dual track approach. It will not hurt people as much as the Reform agenda would.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I am glad that we can have this debate. The Liberal government has a point of view and the Reformers have a point of view on how the finances of the country ought to be run. I hope that the people of Canada are paying very close attention because literally their future depends on it.

I did a little mathematical extrapolation. When I first started this process it was 1992. The federal debt was about $420 billion and now it is around $550 billion, an average of around 9 per cent per year. At that rate, the debt would grow to over $600 billion by the year 2000.

Interest payments would increase from $33 billion in 1992 to over $50 billion in the year 2000. That $50 billion is not available for education, is not available for health, is not available for any of the social programs or anything else.

I want to ask the member who just made the speech a question. We recognize if we do not cut spending that the debt will continue to grow. In fact, the deficit needs to be cut to zero so that we can start attacking the debt which is growing every day by $110 million.

We have to do something. Does the government have any plans at all, and if so, where is it going to get the money? The $40 billion deficit is about equal to our $40 billion interest payment. Are we going to default on our interest payments? I am sure the member would say no.

Are we going to take money out of running the government? That costs around $40 billion per year. It would mean shutting government down completely. That would balance the budget. I am sure he would say no. Let us keep at least some of it going.

What is left then are transfers payments to the provinces. To say that the budget can be balanced and bring the financial situation under control without doing that, I submit, is not

facing the facts squarely. It is being very unrealistic. I think it is giving the people of Canada a false sense of security.

• (1530)

I would like the to member to respond on where he would actually cut.

Mr. Bevilacqua: Mr. Speaker, I would like to thank the hon. member. As he probably noticed, he was answering most of his own questions. Therefore this will probably give me an opportunity to address some real issues that are the minds of Canadians.

I would like to tell the hon. member that we will continue what we have been doing up to today. I think he has seen some cuts in expenditures. We are running a more efficient government than we have had. I remember my years in opposition watching the Conservatives squander money left, right and centre. We are not doing that. We are very fiscally responsible individuals.

At the same time we are investing in people because we feel that one key role of a government is to help people get and keep their jobs, to help the most vulnerable in our society with a focus on child poverty in a very sustainable fashion.

The results to date since our election would indicate that we are on the right track. We are creating jobs. We have great growth in our economy and Canadians are generally pleased with the way the government is governing.

At the end of the day the real measuring stick of our success will be whether Canadians are happy with the way we are bringing the country forward. I would say to the hon. member that they are very happy with the Liberal government.

Mr. Epp: Mr. Speaker, sure the people are feeling happy. Do they have the correct information? Do they know what deep trouble we are in? Perhaps the government of the day with its be happy, don't worry attitude is convincing them of it but hiding from them the bitter truth of what is going to happen.

The government has stated as its goal to bring the deficit down to $25 billion. That is a cut of $15 billion from the present deficit of $40 billion. Where are there cuts of $15 billion? I have not heard one of them. It is worry about one million here and one million there. That is important but it does not begin to touch the big question.

Mr. Bevilacqua: Mr. Speaker, I did not really hear anything worth nothing in what the hon. member said. I think if we have to deal with reality we can look at the state of the nation. Canadians are not happy fools, as the hon. member would have us believe. They are happy because they see all the economic indicators are looking good for the Canadian people and that hope and jobs are part of the Canadian fabric once again.

I resent the fact that the hon. member would think that Canadians are fools. They are not fools. They look at the issues and examine the issues. They see the growth in the economy and they are feeling good about it.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, it is a pleasure to discuss this issue and talk about whether 3 per cent of GDP is a valid target for the government to be aiming at in two year's time and whether that is going to restore the confidence investors need before they will continue to leave their money in this country. There all kinds of implications that flow from that.

I want to talk a little about some of the wants and desires of Canadians. I think when we design a program, when we put together a government we have to give some consideration to what Canadians want and need. If we listen to them they say things that are really just common sense.

As taxpayers, Canadians want to keep their income. They want to have lots of disposable income and they work hard every day to try and grind out a living so they have some money for their family and so that they can retire some day, or if there is an emergency they can draw on some savings. That is what they want.

As investors they want to be able to get a good return and also protect their capital. They do not want to see their capital jeopardized. As people who some day may have to rely on a social safety net, they want to know that it will be there and that it will be adequate, that it will be something they can count on.

• (1535)

As parents Canadians want to be able to know that there will always be a university there so that they can send their children. They want to know that there will be some kind of safety net in place for them as they move into their senior years. They want to know that there will be a health care system there for their children. Those are some of the desires and wants that I think government has an obligation to try to meet.

It is not necessary for government to be in conflict with those wants and desires. A responsible government must align itself with those wants and desires and come up with ways of accommodating those wants and desires. To me it is obvious that there are ways we can do that.

Reform presented a perfect example of that this morning. I would argue that this government has not got itself in line with Canadians' wants and desires. I would argue that Canadians are moving completely against that.

A situation in which the government's best effort adds $100 billion to the debt and leaves us with a $25 billion deficit at the

very top of the business cycle in a couple of years, combined with the desires that I have just mentioned, creates in my judgment a very explosive situation. On the one hand we have the wants and desires of Canadians and on the other hand we have a government that in my judgment has created a business environment that is completely contrary to that.

Let me go back through the different hats people wear in their lives and talk about how their wants and desires are really in conflict with the disincentives that the government puts in their way to prevent them from achieving some of the things that they want to achieve and from getting the type of government that not only do they want but that they deserve.

As taxpayers they work hard every day to try to make a living and provide for their families. Look at what massive government debt does to them. It imposes a fantastic tax burden.

In 1963, if I remember correctly, taxes constituted about 20 per cent or a little over that of where people's income went to. People worked hard and all that hard work and effort was a tremendous positive force pushing up and providing jobs and prosperity for the country. Then we had that 20 per cent of taxes pushing down a little but not nearly enough to stop the desires and incentives that people had to create some prosperity for themselves and their families.

As the years have gone on we have seen more taxes piled on top of that positive force and now it is very difficult for that force to push up anymore. That is why a lot of people are giving up on Canada and giving up on staying in the working world. That is why we see people fleeing to the United States and other lower tax jurisdictions, particularly people who are highly skilled.

Other disincentives are the perverse incentives that are a big part of a lot of social programs today, social programs that actually pay people to remain idle. People who are responsible, work hard, want to provide for their families and work long hours every week see this. They ask themselves: "Why am I knocking myself out when the next guy over does not care and he is just laying on the system?". There is a real inequality in the system. We have a lot of disincentives now piling up on top of all those desires and wants of Canadians. It is beginning to push them down and they are getting tired.

As investors they expect to make a good return on their money but they also expect that their capital should be protected. We have been sent a message in the last seven days that investments in this country are in jeopardy to some degree because the government has not been able to get a handle on its overspending.

Now the international community is wondering whether Canada is a place where it should be putting its money. The same applies to domestic investors who have lots of options other than their own country.

• (1540)

I saw in the *Globe and Mail* the other day a very scary graph that showed how indebted Canada is to foreign investors compared with other countries around the world. It was frightening. We have a foreign debt load twice what the next country in the world has. I found it frightening to know that we are so tied to the whim of foreign investors because successive governments have not been able to get a handle on spending.

Now we have a situation in which this government is proposing to add another $100 billion to our overall debt load before we get down to $25 billion. That is its target and it is ridiculous.

International investors have to deal with that, as do domestic investors. Although they want to invest in this country there are a lot of disincentives and a lot of pressure pushing the other way to prevent them from doing that and to dissuade them.

As people who want to invest and want to have confidence in our social programs they are very concerned as well. In spite of the fact that we spend $150 billion a year on social programs we still have all kinds of unemployment. HRD's own studies show that social programs are contributing to unemployment, including the unemployment insurance program. In many cases we have people living at the bottom echelons of society with no hope, not because there is not a safety net there but because they are trapped in the safety net.

I think it is crazy that in a country this prosperous relative to the rest of the world where we spend $150 billion a year on social programs we have people trapped with no hope in our social programs. Something must be done to help them out of that situation.

This morning I believe that Reform came up with some alternatives that will get people out of that situation, give them some hope and give them some of the positive incentives they so desperately want to be in alignment with Canadians' wants and desires.

People in the bottom echelons of society are as desperate as anyone else to see their dreams and hopes realized. However, this government and successive governments have placed all kinds of disincentives in their way to prevent that.

The government has set no date for the elimination of the deficit. The best it can do is come up with a point two years down the road from now where it will reduce the deficit to $25 billion. It refers to its rolling two–year targets, whatever that means. Maybe it is like a moving target, one it does not want to hit and can keep moving it.

Very often the government says it does not know what the future holds so there is no point in setting a date when it will eliminate the deficit or when it will balance the budget. It is true that we do not know what the future holds but it is ludicrous for the Government of Canada to say that it does not know what the future holds and therefore is not going to set a date for when it can eliminate the deficit. That is crazy. It is almost criminally

negligent when one considers how many people's lives depend on what that government decides.

It is a little like telling people who are saving for their own retirement: "Yes, you should save some money but it does not matter how much because we do not know what the future holds. Perhaps somewhere down the road you will win the lottery or you will inherit a bunch of money so don't worry about it". It is the same mentality that the government is applying.

I fear very much for Canadians if we are going to take this situation so lightly that the government, in spite of what international investors have been telling us even this week, is going to say it does not matter, it does not know what the future holds and therefore it is not going to set any targets. I think it is absolutely crazy. The government must wake up for the benefit of all Canadians and acknowledge that it has to set a hard target and take some tough action right now so that it can move toward it.

What Canadians really want is a government that is absolutely in line with their wants and needs. They want programs that encourage their deep desire to be self–reliant, not programs that work against it. They want an economy that rewards their work, not punishes them. They want a government that gets out of their face, not like this one which seems to have to have a finger in every aspect of their lives. The government has been absolutely without a single success that I can think of, in terms of really helping people over the long haul. I will talk about that in more detail in a moment.

• (1545)

Canadians want a federal government that recognizes its severe limitations. A federal government in a country this size that is so far removed from ordinary Canadians has tremendous limitations. That needs to be understood. The federal government has to allow lower levels of government, families, charities, communities and obviously, individuals themselves to take more responsibility for their lives and to empower people to do things for themselves and give them some of the hope that they truly need.

I want to talk a bit about some of the areas where government has failed dramatically and compare them with areas where individuals have absolutely succeeded.

The first example I want to use is the Canada pension plan, and I will throw in old age security for good measure. I want to compare it with how RRSPs have done, a program that Canadians fund themselves and they are joining in ever greater numbers. In fact, I saw in the newspaper today that there has been a tremendous rise in the number of people who have gone to get bank loans so they can buy RRSPs.

When the Canada pension plan was established it was done so with the belief that it would sustain people in their old age. I do not think there is anyone in the country, and probably not even anyone in all parties in this House, who believes that is going to happen. Everyone knows the Canada pension plan is woefully underfunded. It is about $510 billion in the hole, if you compare it with other actuarially sound pension plans.

Old age security started out as being a funded program. However, that was abandoned and now it comes out of general revenues. People understand that as the debt gets bigger, the amount of money that can go into OAS and other social programs is rapidly diminishing. Most people realize now, even if they did not a year ago, that they cannot rely on government programs.

More and more people are starting to set aside money for themselves. That is why we see RRSPs growing tremendously. It is not a revelation to me that people believe they can save better for their own future than the government can. People all along have had more faith in themselves than in the government when it comes to these types of programs. However, it is only now, when the fiscal situation has become so acute, that people are taking this situation very seriously. They are scrutinizing how the government spends money and scrutinizing the form social programs take.

If we ask people to compare which is more successful today, the Canada pension plan or RRSPs, people are going to say absolutely that RRSPs are much more successful. They know their RRSPs will be there and that the Canada pension plan has eroded over the years.

I am going to get off the fiscal topic for a moment to talk about another area which is indirectly related to social programs and in which the same principle applies.

The other day the minister of multiculturalism said that Canada has no Canadian heritage. I thought that was curious, but then I thought about it and I think I understand what she was saying. For 20–some years or maybe a little longer than that, the government has tried to cobble together an official heritage, some kind of an official culture for this country. It has failed miserably and I think the minister of multiculturalism truly realized that.

Concurrent with that, there is a tremendous rise in Canada in the number of people who are going back to look at their own history. They are going through history books trying to figure out where their ancestors came from, where they lived in this country, and from which countries they originated.

People are very interested in the heritage of this country, but there is a big difference in how the government or the minister defines it and how people define it. People are very proud of their personal histories. All that taken together gives us a very proud heritage in this country.

• (1550)

We could even expand on that a little bit. In many cases, people are very proud of their communities. I come from a small community in Alberta. People there take a tremendous amount of pride in some of the local sites. What they really do not get very excited about are programs like official multiculturalism. They see that as something the government created a long time ago, not in response to their concerns but it was something the government felt it should do, that it knew better than Canadians did of what constituted real culture.

The comments of the minister of multiculturalism from a few days ago indicate that those types of top down programs have completely and utterly failed. The victims were the taxpayers who had to pay billions of dollars for those types of programs to keep them going.

Let us not continue to make the same mistakes over and over again. Let us not continue to have top down government in our social programs when we have shown over and over again that Canadians are more than capable of standing on their own feet. If they are given the tools, they are empowered to do so.

I want to talk about Reform's approach to empowering individual Canadians. We spoke this morning about a new approach to handling social programs. The member for Calgary North is sitting beside me. I applaud her and members of her committee for the tremendous amount of work they did in going out to really listen to Canadians and to come up with an alternative approach to Canada's social programs and safety nets, one that is really in alignment with Canadians' wants and desires.

Reform talked a little today about how we can empower the different groups of people who make up our country. We talked about empowering seniors, how we need to focus OAS and the guaranteed income supplement on people who are most in need.

This country is in tremendous financial difficulty. We have a debt that is over $550 billion. Just about everybody realizes we are going to have to target our social programs to people who actually need them. That is what we have proposed in our document this morning.

We are going to eliminate mandatory retirement so that those who choose to work beyond 65 can continue to do so. There was an article in the Ottawa *Citizen* today that talked about the high suicide rate among seniors once they are forced to quit at age 65.

We are not saying that you have to keep working. We are not saying that at all. We are saying that if people want to, they can continue to work. Many people have a tremendous amount of potential and ability to still give to society when they hit 65 years. Of course people are living longer now. We see elderly MPs who make a tremendous contribution to the House. We should not write people off because they have come to an arbitrary point set some years ago. Let us make sure that people, if they want to, can continue to fulfil their aspirations.

We want to give this country long term tax relief which will help seniors and all Canadians. Seniors are just as hard hit as anybody by high taxes. We have to move away from a government and a system that really does encourage growth in taxes. To do that, we need some accountability in the system. Maybe that could be a discussion for another day.

Of course, we have talked about our registered personal security plans. That is something we can talk about in more detail when we have some time.

We have talked about empowering families, strengthening the capacity of families to care for themselves and their dependants with tax relief and tax reform. We would like to see child care assistance come in a neutral form so that people themselves can decide what kind of child care they want.

I want to make a strong point. We are calling for a national registry so that people who have dodged their obligations to their families, those who are supposed to be making child support payments but have somehow dodged them will be eventually tracked down and forced to pay up.

• (1555)

I am proud to say that my office has helped track down a lot of deadbeat spouses. Eventually these people have had to pay up. They have to pay the money back to their children through their ex–spouses.

The government has really not moved quickly enough in this area, although it has been in power for about 16 months. We very strongly advocate having a meeting with the provinces to work with them to put that registry in place. It is absolutely critical. Hundreds of millions of dollars out there are not getting to the children who really need the money. We are going to push very hard for that.

As we have mentioned before, we do have our RPS plan which we are going to consult with Canadians on and hopefully, eventually put into place. It would be a way to give some power back to families and allow them to provide for themselves.

We want to empower the unemployed and the job creators. I want to talk a little bit about the five–R jobs plan Reform has come up with. It is radically different from what the government has proposed in its infrastructure program.

We are proposing to reduce and eliminate the federal debt and deficit. We are proposing to relieve Canadians of their oppressive tax burden. We are proposing to restore labour market

efficiency and reduce social program dependency. We wish to remove barriers to internal and external trade. We want to renew Canada's physical and intellectual infrastructure. Those are the five steps we would take to get Canadians back to work.

We could talk for a long time about these issues, but I know my time is up. I encourage the government to move quickly to establish a point at which it will reduce the deficit to zero and balance the budget.

Mr. Mac Harb (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, I listened to the speech by the hon. member. He was raving on about doom and gloom and negative things. I did not hear him speak at any time of the positive things this government has done since taking power.

I did not hear him talk about the fact that Canada for the first time in 10 years has led the industrialized world in terms of economic growth. I did not hear the hon. member talk about the fact that in a matter of one year and four months this government has created more jobs than the previous government did over a period of 10 years.

I did not hear the hon. member talk about all the progressive initiatives this government is taking in terms of embarking on major reforms, the foreign policy reforms, the social program reforms, the tax reforms. There are all of the major initiatives the government has taken on in order to look at the kinds of programs the federal government is suited to offer versus the provincial governments.

I did not hear the member talk about the infrastructure program this government has put in place. Municipalities from coast to coast have endorsed it and have spoken positively about it. People have seen positive things coming out of it.

I also did not hear the member congratulate the government on the fact that for the first time in a matter of 10 years this government will meet its deficit goals.

The business community is fed up with this negativism. The business community tells us day in and day out that it wants positive talk. It wants us to stop talking negatively. When will my colleagues in the Reform Party stop talking about the doom and gloom?

I will read a quote from a newspaper in Alberta where some of my colleagues were elected. The February 7 Edmonton Journal talks about the tax revolt which is being led by the Reform Party and states: "That is why the tax revolt incited by Manning and played out by the Canadian Taxpayers' Federation has the reek of raw manipulation about it. It is a classic case of setting up a straw man, knocking it over and savouring the victory. Instead of—

The Deputy Speaker: The hon. member for Medicine Hat.

• (1600)

Mr. Solberg: Mr. Speaker, I am sorry that the hon. member subscribes to these conspiracy theories that the Reform Party has created the tax revolt. He should give Canadians more credit.

There are a lot of people out there who are vitally concerned about the state of this country's economy. They are vitally concerned about the fact that they are being taxed to death. We did not have to invite people to talk about this issue. When the government was floating trial balloons about RRSPs there were many letters that came to the finance minister to tell him to get the government's hands off their wallets. We did not have to do that.

The parliamentary secretary has talked about the fact that the country is leading the world in economic growth. What he did not say is it is because of the people in this country. It is not because of the government. He said the government has done this. He said the government has created jobs. Government does not create jobs. It was small businesses that created jobs. It was not because of the government, it was in spite of the government.

The parliamentary secretary talked a bit about the new initiatives that the government is taking, social program reform. That is a laugh. Even the human resources development minister admitted on national TV that it was dead, as dead as the dodo. That was a few days before the social program committee had to report. For crying out loud, the fact that it has started on an initiative is no guarantee it is going anywhere and that has certainly been the case with social program reform.

The infrastructure program that he referred to has given Canada some boccie courts in Toronto, a canoe museum in the Prime Minister's riding, another $6 billion in debt. There is no doubt about that.

There have been many things that the government has done, but let us not believe for a moment that they have been positive. They have added to our debt. They have contributed to the concerns that taxpayers and investors have around the world. That is why this government has been assailed by investors and by taxpayers over the last couple of weeks. If the member doubts me, pick up the newspaper and take a look.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I listened intently to the member. I cannot get over the fact that the member would try to compare the RRSP system, which is essentially a government created system, not for a large number of Canadians, with the Canada pension plan which is something that every Canadian has access to. It is probably only about 40 per cent of Canadians who have even the ability to participate in an RRSP plan.

I want to challenge the member on one particular program of government that I personally am very proud of, multiculturalism. I happen to believe that multiculturalism is one the jewels

of this country and because of people being very frivolous with it we are about to lose it.

For over 20 years, since 1971, we invested, promoted and encouraged Canadians to preserve their language and culture of origin. Today because of that investment by Canadian taxpayers we are recognized as one of the greatest trading countries on the planet. One of the reasons we are and that we have that trading advantage is that we have people who have preserved their language and culture of origin and it has given us very special access to these lucrative markets all around the world. Multiculturalism has also made us a tourism asset which if we ever got our marketing act together could be another envy of the world.

I think the Reform Party should be very careful when it is criticizing these programs and just wants to sweep them away. Renew them, eliminate waste, fiscal discipline, I support all of that. We would be absolute crazies if we did anything to take away our multiculturalism policy which is the envy right now. The United States is now in the process of spending billions of dollars to try to promote a multicultural reality because it had its melting pot theory. We were so far ahead of it and the Reform Party has missed the whole point.

• (1605)

Mr. Solberg: Mr. Speaker, I think the hon. parliamentary secretary must have been very discouraged when his own minister of multiculturalism acknowledged publicly that we have no Canadian heritage.

I want to talk a little about some of the things the parliamentary secretary said. He said that we should have multiculturalism so people will preserve their language and they can use that for trade. I have more faith in people than that. I think there are people who have always preserved their language so they could trade.

It is crazy to suggest that since 1971 there has been some huge jump in the amount of people who are preserving their languages so they can trade around the world. I do not have the statistics but I would love to see the statistics. I think I could convince the hon. member across the way that we did not need to spend $25 million a year for the past many years to encourage people to do that.

I think people are proud enough of their own heritage and that they will continue to preserve their own heritage at their own expense, without having some government program run by people who think they know better than individuals themselves what their lives should be like. That is crazy. It is time to give people some credit for being able to run their own lives.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I am pleased to participate in this debate. This morning I had an opportunity to pick up a copy of the Reform Party's taxpayers' budget, a plan to balance the federal budget.

I thought it was very appropriate that today in question period the finance minister was able to rise in his place and with only a very short period of time to look at this advise the Reform Party this plan would not balance the federal budget. He went on to explain why.

I want to give a few comments about what this document really means. It is important that the Reform Party has now put on the table what it really had in mind, the details it left out when it presented its balanced budget program to the finance committee last fall. It laid out $10 billion of cuts on non–social program spending, which only added up to $9 billion, showing the accuracy of the information it was given.

It did not tell Canadians about the social program side of it. It is only fair to let Canadians know now. I appreciate the Reform Party is now letting Canadians know what its real agenda is. Canadians should know its real agenda.

If you are on a guaranteed income supplement, the Reform Party is out to get you. If you are on old age security, the Reform Party is out to get you. If you are receiving Canada pension plan, the Reform Party is out to get you. If you are receiving health care benefits, the Reform Party is out to get you. If you are on socially assisted housing, the cuts in the CMHC, the Reform Party is out to get you. If you are on unemployment insurance—read the document—the Reform Party is now out to get you.

I had an opportunity to review the document this morning. It is quite simply an incomplete document. There is no information on the economic impact of the proposed cuts. It is unclear which programs are going to be cut and the numbers it will cut from several government programs are not there.

The leader of the third party admitted it this morning in the press conference. He did not have the numbers and details to support the numbers. It was simply an arithmetic exercise the Reform Party went through to say it can come up with $25 billion.

It did not cost out the impact of those cuts. It did not even take into account many fundamental assumptions that are necessary in preparing a budget. It is not being honest with the Canadian public. It is not telling Canadians the true impact of the proposals on seniors. It is not telling Canadians the truth.

It does not take into account we have a growing number of seniors. It does not take into account which seniors will be affected by the proposed $3 billion in cuts. Rents for seniors will be impacted if CMHC is privatized. It did not say how much. It did not care about seniors when it did this.

During question period there was quite a debate going on about the word compassion. I can say in all sincerity that there is no compassion in this document. Slash and burn is the title of this document. The Reform budget is based on a philosophy that says families and charities should be the ones to take the burden for social programs. The Reform Party just wants to second the responsibility for these important programs to families and to charities that already are stretched to the limit.

• (1610)

How many families can afford personal insurance RRSPs? Reformers are proposing that Canadians set up some sort of quasi–RRSP to provide for their own unemployment benefits, their own education, their own retirement and for their own non–essential health care.

Today most Canadians cannot even afford to contribute to RRSPs and yet the Reform Party is saying it can eliminate old age security, the Canada pension plan, all of these things that the government does. All it has to do is let people contribute to RRSPs. This is not clear thinking at all. Reformers are out of touch with Canadians and out of touch with the basic communities.

The Reform budget includes a two tier health system, the slash and burn to our health care system. It is unbelievable. There is a 25 per cent cut in transfers to the provinces. There is a proposed reduction in international aid. There is no question that there may be some cuts there but the Reform Party fails to realize the importance of international aid as it is tied into the promotion of our international trade which is a major source of new economic growth.

The Reform Party has not addressed the accumulative impact on the regions of Canada, the cuts in equalization payments that it is proposing, the regional development and support programs to industry. There is not one detail as to the impact of those cuts. Simply we can cut the spending and they do not do anything anyway so the cuts will have no impact. That is fundamentally wrong.

What are the main features? Reform has said it is going to cut $10 billion out of government operations and non–social program spending. This is the same or similar to the report of the finance committee of the House of Commons. These are the things that were dealt with, the business subsidies, et cetera. I do not think there is much argument there. However, the key component that was missing was the component with regard to the social programs and that is where it is going to cut $15 billion out of social security spending, including $3 billion from the elderly, $3.4 billion from unemployment insurance and $6.6 billion from transfers to the provinces.

Let me deal very briefly with elderly benefits. Reformers are talking about a $3 billion cut. However, if one takes into account population growth and indexation, the real cut they would have to make is something like $5 billion. They have not taken into account the fact that we do have an aging population and that there will be more people demanding those benefits presently being offered. That has not been taken into account. That is a fundamental flaw in the entire document.

In addition, the programs include income thresholds and age requirements. I think the Minister of Finance today in question period basically laid out that if one were receiving old age security, under the savings that the Reformers are proposing in their plan the threshold for clawback would be something like $11,000. That means people who are receiving GIS would all of a sudden not be getting old age security.

This slash and burn and trash people is the kind of thing that Canadians should know about, the vision and the plans that the Reform Party has for Canadians. The Reform Party is out to get you is the message this document shows.

I wanted to talk very briefly about UI reform. Reformers said they would eliminate regionally extended benefits, lengthen work requirements and shorten the benefit entitlements to lower benefit payouts for repeat users with each additional claim. Reformers count the $3.4 billion benefit reduction to the deficit because they could not let premium rates go down but rather they would run up a huge—estimated at around a $12 billion—accumulative surplus on the UI account until the overall budget deficit is eliminated.

This kind of mathematics is simply numbers. There is no substance, no vision, no explanation and no detail to the impacts. There is no compassion in this document at all.

What about the transfers to the provinces? Reformers are going to lower cash transfers under the EPF and the CAP but they are also going to transfer additional tax points.

• (1615)

In question period today the finance minister pointed out very succinctly that you cannot have it both ways. Revenue is going to be impaired simply because of the transfer. Sure it is in there. It is in there to show the arithmetic works but if you do not take all the components into account, the budget will not balance. The Reform Party has not carefully managed the revenue stream that it is going to need.

The $3 billion reduction in equalization would be a massive attack on the poorest provinces. Regional differences do not matter. The Reform Party represents Alberta. It does not care about the maritimes. It does not care about Newfoundland. It does not care about Quebec. All it cares about is, we can do it ourselves and why can you not?

Members of the House of Commons have to speak on behalf of all Canadians. We have to have a national vision, a Canadian vision. We have to speak on behalf of all Canadians, not just on behalf of our own regional interests.

The conclusion I reached in going over this document is that it is terribly vague but it does show some very important points, the most important of which is the absolute attack on seniors, on the elderly, on those who are in most need in our society. That to me represents what is contained in this document that the Reform Party says is going to balance the budget. Let us look at some of the facts.

Canada's growth rate in the last year was 4.25 per cent, the highest in the G–7. The OECD predicts that Canada will continue to lead the industrial world for the next two years. Real exports are up. The Conference Board found a positive boost in investment, with 81 per cent of firms planning more investment.

Over 450,000 new jobs have been created since the government took over. The 1994 budget laid the foundation. Today the Minister of Finance announced that next Monday, February 27 he will present the next budget for the people of Canada.

There we will see how a government shows compassion and also meets its fiscal targets of 3 per cent of GDP by the end of the third year and lays the foundation for the next two–year cycle to bring Canada's budget into balance.

That is what the Liberal Party stands for, not slash and trash, particularly seniors and those most in need in our society.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, how scared the Liberals are of the Reform Party when they make absolutely outstanding comments. This speech is just absolutely, totally off the wall.

As I said to another member from the southern Toronto area, my family and the families of the people within our party have seniors who we are concerned about. We are concerned that this government is destroying the ability of government to fund the social programs on which they depend.

He says about us: "You are just doing to slash and burn, you are going to trash seniors". I cannot imagine the fear that there must be within the Liberal Party that finally there is a party that is prepared to stand up and expose government overspending, expose its inability to get spending under control. Social programs are under threat from the Liberal government.

I do not see anything positive about coming into the House and characterizing Reform members as being uncaring and not worried about social programs. Nothing could be further from the truth. In fact, that is the reason why we are here. That is the reason why we made such an effort today. We want Canadians to have an opportunity to see an alternative to the silliness that is presently going on.

I ask the hon. member a question. I know he has an accounting background and must be able to read a balance sheet. Surely he must know that while revenue is growing at a rate of 3.3 per cent, debt is growing at a rate of 10.3 per cent. The 7 per cent spread is growing. Every single solitary dollar of the $110 million that we borrow today is going to pay interest on the money we have already borrowed. We are going deeper and deeper into the hole.

• (1620)

Perhaps the hon. member can tell us, as a professional accountant, how in the world can you possibly run a balance sheet when you are going into debt twice as fast as you collect revenue?

Mr. Szabo: Mr. Speaker, the hon. member always talks as if the Reform Party would not increase the debt over the period that it is talking about. It never talks about how much it would increase the debt in implementing its plan.

Let me read from the Reform Party's document. This is what that party is going to do to seniors. To Canada Mortgage and Housing it proposes a 24 per cent cut. Does that party not believe that seniors require assisted housing? If we look at seniors' benefits, there is a 15 per cent cut in all of their benefits. Clearly those cuts would be at the lower end where people can least afford it. To unemployment insurance it proposes a 22 per cent cut, and a 34 per cent cut in welfare.

I do not have to go on. Simply look at the numbers. We can see that this document, which was prepared by the third party, represents an attack on Canadians who are the most in need.

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, in this life if you do not make a choice, someone will make it for you. That is what is happening to that motley crew over there.

The government sounds like an opposition party, not a leading party. My colleague has done nothing but critique the Reform's proposals. The difficulty that I am having here is, what is the Liberal Party doing?

I would like to ask the hon. member this. How much debt will the Liberals have incurred since taking office to the end of their mandate?

The second part of the question is: At the end of the mandate I believe the Liberal Party will be overspending by approximately $26 billion a year. We say zero. Which is better for Canadians in the long run?

Mr. Szabo: Mr. Speaker, the government election campaign was run in October 1993 on a platform which said that it would achieve 3 per cent of GDP by the end of the third year of the

mandate. The Minister of Finance has brought down a budget. We are on track.

If members noticed, the Minister of Finance said today that not only are we going to meet this year's deficit target, we will do substantially better. I think that is important.

The hon. member asked a very important question. What would be better, zero or 25? It is the same question, the answer to which is basically that the operation was a success but the patient died. That is what the Reform Party is proposing. It is proposing an operation that will get us to zero, but at the same time Canada's social programs will die.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I would like to begin—

Mr. Abbott: Now we will get some intelligent comments.

Mr. Mills (Broadview—Greenwood): You may not say that by the time I—

The Deputy Speaker: The hon. member was not in the Chamber earlier when I asked members to please put their remarks to the Chair. Anytime the word "you" is to be used it is to refer to the Chair.

Mr. Mills (Broadview—Greenwood): Mr. Speaker, I am sorry. I will make sure that I do that for the remainder of my 10 minutes.

I read most of this document today. My initial reaction was the following. I thought that the Reform Party had a lot of courage to put forward such a comprehensive document just before the budget. It is a great debating tool. The Reform Party will no doubt, as it will discover, face a lot of criticism for the flaws which are in it.

• (1625)

However, the essence of this Chamber is to exchange and to debate ideas. We come here with different backgrounds and ideologies. Obviously there are a lot of things in this document that I would not support. However it will be useful for me when constituents come with your proposal. I may be able to point out some of the good things, while showing some of your flaws.

The Deputy Speaker: The member who said he would not use the word you has used it twice.

Mr. Mills (Broadview—Greenwood): Three times and you are out. I am too close to the Reform Party, Mr. Speaker.

One of the reasons I was profoundly disappointed in this document was that members of the Reform Party campaigned on comprehensive tax reform during the last election. They campaigned on restructuring the tax acts. It is no secret to members that I was delighted when there were 40–odd members returned to the House who shared—at least I thought they shared—my view, as do many other members on this side of the House that it is time to overhaul the entire personal and corporate income tax structure.

Canadians should know that in this document the only reference to proposals for a taxpayer protection act are one page, on pages 53 and 54. Canadians believed the Reform Party was truly committed to tax reform. In a document of 55 pages, to only have one page devoted to tax reform is not a serious effort.

It is a serious flaw in the document because I happen to believe, and I know a lot of Reform members believe, that Canadians are frustrated with the current tax acts. The complex tax system we have is one of the reasons why people are putting money offshore. It is one of the reasons we have such a large underground economy. It is one of the reasons we have a lot of entrepreneurs who are not investing in creating jobs. On that issue I say that the paper prepared today, the taxpayers' budget, is misleading and it falls short.

There is another thing that concerns me about this debate in total today. It is this total preoccupation with the federal deficit. I believe, as all members believe, that the deficit must be dealt with. I cannot imagine a member standing up anywhere saying that the deficit is not important.

We have had enough debates on the federal deficit and the fiscal discipline side of this equation. We are not talking about the growth side. How are we going to put 2.2 million Canadians back to work? I wish we would spend more time speaking back and forth and I think Canadians would like to see more debate in the House back and forth on how we can put people back to work.

I want to be very specific about what I mean. My colleague from Waterloo handed me a document he received today, a debating document called "The Working Nation". This is a policy paper on policies and programs from the Australian government.

The Australians have an idea that I would like to share with members and all Canadians today. It is called the job compact. This is an idea they are debating in their House right now. The job compact will apply to all those who have been in receipt of a job search or a new start allowance for 18 months or more. A job compact will include more intensive case management, training and support to ensure the unemployed person is job–ready, a job for six to twelve months primarily in the private sector, a training wage which combines employment with training, leading to recognized and transferable skills. New work opportunities will encourage local proposals for employment generation, especially in regions where other employment opportunities are limited. Intensive job search assistance and referral to suitable vacancies at the end of the job compact maximizes employment outcomes for those assisted. There will be stronger penalties for job seekers who do not meet their obligations under the job compact. The paper goes on to describe how jobs will be

obtained and how employers will be further encouraged to consider the abilities of long term unemployed, et cetera.

• (1630)

That is a specific idea the government is currently putting forward to give every unemployed Australian a chance to get back to work. That is the kind of thing I personally wish we could debate in the House. We have talked enough about the deficit and the debt.

When all is said and done and the budget comes out next week, I am sure all the things in the red book will be there. However we still have to face the challenge right away of getting those people back to work. That is what I think is missing in the debate.

The whole notion of human deficit is very important. As our human deficit grows eventually it will hit us like a ton of bricks. There are 700,000 university trained and educated young people who cannot find work. That is crazy. That is what I believe our focus should be on.

I want to expand my point about human deficit. It is the reason we have a fiscal framework right now that is not very healthy. Not only are there unemployment costs and health care costs but there are all kinds of potential loss.

My appeal to the opposition parties is that they have now made their point about the federal deficit and the debt. I believe all members of the House understand it well. I am confident, as I said earlier, the Minister of Finance will bring testimony to that realization next week.

I would like to suggest to members of the House that our preoccupation in the next 60 or 90 days should be on identifying the priorities and government instruments we can use to stimulate entrepreneurship and to market the country to get the human deficit under control. Let us change our language from federal deficit to human deficit and let us attack it next.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, I appreciated the parliamentary secretary's speech. He certainly gives a good perspective.

We are concerned about the people of Canada. The real response to his intervention is not whether we want to look after the people but rather how to do it. The question arises: Is it good for jobs in the country to have the government spend 50 per cent of our money?

To me the answer is obviously no. It would be much better for the government to spend less of our money and to allow individuals to promote and improve themselves in job situations because the private enterprise system is working much better. That is one of our main points of debate.

I want to ask the parliamentary secretary a very difficult question. He may choose to talk around it instead of answering it, in which case I will assume that either he does not want to answer it because it is embarrassing to him to be on that side of the House and to answer it, or he may be equivocating and does not know. I do not know what he will say. However if he chooses to answer I would be very pleased.

• (1635)

The item of debate today is whether the 3 per cent of GDP is an adequate target. I am really quite convinced that it would be best if we eliminated deficit spending and stopped putting the government and the people more and more into debt.

Is 3 per cent an adequate target? Yes or no.

Mr. Mills (Broadview—Greenwood): Mr. Speaker, I do not think that is such a complicated question. The absolute hope and desire of every member of the House would be to go beyond the 3 per cent and eventually eliminate the deficit. If the member gave us some magical way in which we could eliminate the deficit instantly, Mr. Speaker, do you think we would not want to do it?

I want to make another point. We are debating priorities in the House right now. I would like to focus on one that I believe in passionately. Right now the Government of Canada invests $50 million in tourism marketing for all of Canada; we spend $50 million to promote Canada all over the world. Nike shoes spends $200 million in the United States of America.

As a government priority I believe it would be good not just to spend $50 million of Canadian taxpayers' money promoting Canada and filling our hotel rooms, our theatres and our restaurants. I believe it would be a worthwhile tax expenditure to spend five times that amount because it would be money we would get back in 90 or 120 days. The job creation that could result would be incalculable in the short term.

There is an ideological difference between us and the Reform Party. I do not believe the private sector alone can do all these things well. There are times when government has to intervene.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, I thank the parliamentary secretary for his speech today. We are down to discussing differences of opinion rather than getting involved with who loves their mother more. That is very helpful.

I also agree with him that we need some major tax revision. We were looking at the process and have come forward with a substantial difference between the way the Liberals think about government and the way we believe Canadians want to think about government. We had to do a complete shift before we could come up with these numbers.

I would like to run these assumptions on jobs by the parliamentary secretary. The Liberal flawed assumption on jobs is that governments can solve the unemployment problem through public spending. The consequences are that government spend-

ing is now at an all time high. Yet over a million people are still unemployed or underemployed.

By comparison, the Reform Party believes that the private sector and not the government is the engine of job creation in Canada. The government's role is to create a healthy economic climate by eliminating the deficit, stabilizing and reducing taxes, and reducing bureaucratic regulation and trade barriers. The result is that we would have significant increases in private job sector creation. Does the member agree?

Mr. Mills (Broadview—Greenwood): Mr. Speaker, government does not create jobs. Government creates an environment that accelerates job creation potential.

The point I want to make is that we agree with everything the member said. No one has accelerated privatization and offloaded government instruments after using up public policy usefulness faster than the Minister of Transport.

We are not trying to build empires. We are working rigorously and quickly in many respects to try to do some of the things the member cited.

• (1640)

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, I rise to debate the subject of whether the 3 per cent of GDP is acceptable as a target in reducing the deficit. My answer to the question is no, it is not acceptable. It is unacceptable for a number of reasons, but before getting into my more formal remarks I wish to compliment the Parliamentary Secretary to the Minister of Industry. Once again he has demonstrated that there is at least one member on the other side of the House who actually reads some of the material we present.

You are the parliamentary secretary of industry and not of transport. I am so happy the minister—

The Deputy Speaker: The hon. member is a highly experienced member like his predecessor. I ask him to watch his use of the word "you".

Mr. Schmidt: I apologize, Mr. Speaker. I wanted to make it absolutely clear that I was speaking to the Parliamentary Secretary to the Minister of Industry and not transport. I am very honoured the Minister of Transport is in his place this afternoon.

There are a couple of reasons I believe the 3 per cent of the GDP as a deficit is unacceptable. First, I was absolutely amazed to think of where that 3 per cent of the GDP came from. The following question was asked in the House: "Why is 3 per cent such a reasonable goal?" The Prime Minister answered at that point, I believe it was April 11, 1994, by saying: "We have a goal that is achievable to reduce the deficit in relation to GDP to 3 per cent per year. This goal is very reasonable because 3 per cent of the GDP is the requirement for any country to qualify in Europe to use the new currency called the ECU. If it is good enough for all countries in Europe to have that goal it should be good enough for Canada".

Why is that a problem? Is is because Europe has a totally different geography. The economies of the countries making up the European community are very different. The total debt structure is very different. The demographic distribution of population is very different. Their natural resource base is very different. Why is it that should apply it to our country?

If it is good enough for them it ought to be good enough for us only if everything else is equal. Is it really relevant in that situation? I could not help but think of an analogy in our armed services. I thought about the uniforms some of our generals wear. It seemed to me it was something like going to the tailor and saying: "If you want to make a good suit for the Prime Minister, go measure him really well. If the Prime Minister fits the suit it will automatically fit the Minister of Finance". Nothing could be more ridiculous than accepting for Canada a similar goal that is set somewhere else and saying that it should be ours as well unless everything else is the same.

Why do we not have a goal made in Canada for Canadians by Canada's government? That has not happened.

Second, this goal is not acceptable because it is financially inadequate. There is a principle that all governments should observe: governments should not be allowed to spend what taxpayers are not prepared to pay for. The violation of that principle has put us into the mess we are in today. For the last 30 years Canada's expenditures have exceeded revenues. Canada's debt has risen exponentially in the last few years.

Third, foreign investors who hold about 40 per cent of Canada's debt are becoming concerned that Canada will not be able to service its debt. It is not that they are so worried about paying the principal of the debt but they are concerned about being able to service it, that is paying the interest on it.

I am sure it comes as no surprise to anyone in the House that the deficit on an annual basis is made up of the interest payments on the principal of our debt.

• (1645)

There may be those in this House who suggest that the debt problem is really that of more than one level of government. It certainly is.

I go back to the ECU. That 3 per cent GDP figure includes all debt of a country, not just the federal debt. In Canada we are looking at 3 per cent of the federal debt and that is not sufficient.

The suggestion is also made that somehow there is support in the economic community or in the business community for that level. I want to refer to October 18, 1994 when the Prime Minister said: "We have faced up to our responsibilities. We

were the only political party that put in writing in our red book exactly how we would achieve our objective. The financial community thinks that it is realistic and it is a realistic objective. A deficit of 3 per cent of the gross national product is the level required in Europe for all countries in the European community to qualify for the new European currency".

The justification is that our business community supports that. I simply refer to the suggestion that our credit rating will be dropped down. We have had since then a devaluation of the Canadian dollar. We have had an increase in our interest rates. Also I draw members' attention to the situation in November 1994 when foreigners took a net $2.2 billion out of our country. Foreign investors reduced their holdings of Canadian bonds by $4.9 billion, a record for a single month.

Some other points to observe are that by September 1994 Nomura Securities Canada Inc. said that eight of the largest Japanese life insurance companies had cut their Canadian dollar exposure by 60 per cent from the previous year's level, reflecting mainly concerns over currency losses. The Canadian dollar decreased in value while the yen increased in value.

The London based Warburg Asset Management director Tom Berger says that Canadian bonds because of the debtload no longer make up core holding in his portfolio but may be used opportunistically on a short term basis.

Further evidence comes from Michel Doucet, economist for the National Bank, who observed that foreigners sold $3.4 billion of Canadian bonds in the secondary market in November 1994 alone reflects a loss of confidence in Canadian bonds.

One of the reasons investors are worried is that the debt is rising faster than the economy. Particularly they are worried that the government will relax its hold on inflation targets and that the currency will devalue as a result.

There are serious implications of the Moody's situation. I think it was two days ago that the president of Sun Life indicated that there is enough discomfort by that sort of thing happening that we rebegin to question whether the superintendent of financial institutions through the office of the superintendent of financial institutions is inadequate to control and monitor meaningfully the financial institutions of Canada.

All we need to do here is milk the special white paper that was introduced last week by the secretary of state for finance. It is worthy to note as well that nothing has been said about the implications of the goal for our chartered banks and other deposit taking institutions of those kinds of downgradings.

Let us not forget the billions of dollars that are found in RRSPs, GICs and other debt instruments. With one stroke of the pen to decrease the value of the Canadian dollar, a lot of damage can be done to the savings of Canadians.

There is a third reason this is an inadequate target. It guarantees further indebtedness. At the rate of $25 billion per year, that means that there will be a $100 billion addition to our debt every four years.

It is already growing faster than the rate of the GDP. That means it is as if the value of one's house were going down while the cost of one's mortgage was going up, a formula for disaster.

Let us review some of the recent experiences with reducing the deficit as a proportion of GDP. In 1991 the deficit was 6.6 per cent of the GDP. In 1992 it was 9.1 per cent. In 1993 it was 7.1 per cent and in 1994 it was 6.5 per cent.

From that vantage point alone it seems a bit far fetched that all of a sudden we are going to get to 3 per cent. Canada's economy has been strong because the U.S. economy has been strong.

• (1650)

There are now some pretty clear indications that the prospect of the U.S. economy continuing to roll along is not going to happen but that it is slowing down. It is likely that we are nearing the end of the current North American business cycle. That will make it increasingly difficult for the Minister of Finance to reach the goals he has set.

Three years have been wasted. It should be no surprise whatsoever that business leaders and credit rating agencies have difficulty believing that the minister is serious about dealing with the deficit.

The other part of the problem is the composition of the contemporary welfare state. Our welfare state works at the present time so that deficits rise when recessions hit and fall when the economy grows. Let us look at this in more detail.

Canada's deficit soared nearly 7 per cent of GDP after the 1981–82 recession but was under 3 per cent of GDP in 1988–89 after several years of solid growth.

This time in this increase the economy has been growing since 1992 but because of Ottawa's position of inaction we have seen no improvement in the deficit and that is where the problem is. It affects the levels of all governments to borrow for their needs for capital expenditures such as roads, schools and things of that sort. There will always be a need to borrow money. If our credit rating drops down it will impact our ability to do so.

If we use our credit to finance current expenditures for education, health and welfare we will be unable to finance those projects that are in themselves revenue generating. That situation compounds a difficult situation into an escalating and worse position.

I think this particular goal is deceptive. It sounds so good to be able to say 3 per cent of GDP. It is confidence generating—they have a number, they have to be right. The result is that the number, as we have indicated previously, cannot improve the long term health of our financial position because it will increase the debt of our country.

It is illusionary. The deficit will never be eliminated by a goal where the deficit is a proportion of the GDP. It means a perpetual deficit and the accumulation of more debt.

It transfers more of our responsibility not to ourselves but to future generations, in particular our children and our grandchildren. Instead of providing them with a more promising future we are saying they are going to pay more and more for the lifestyle that we ourselves were not prepared to pay for.

It reduces the attractiveness of Canada as a place in which to invest money. Another reason why I believe this particular goal is inadequate is that it is manipulative. It creates the illusion as if something is being done when very little is being done that would instil confidence in investors and credit rating agencies.

While Canadians on the one hand are urged to plan for their retirement, their children's education and so on, it is clearly known by the Minister of Finance that in pursuing this particular course the government's inaction will erode the future purchasing power of those savings through inflation and increased taxes.

Thus what appeared to be a very well planned RRSP turns out to be a mere existence under the new economic conditions. Canada pension plan contributions were said to be deposits for the future of the depositor so they could retire in comfort, but the legislative provisions for the investment of those funds mitigated against them. Many of the returns on those invested dollars were uncompetitive.

For these reasons I believe that this particular goal is inadequate. It is inadequate because the target was chosen not for Canada but for another series of countries. The fact that it is a rolling goal over two years and so on is not acceptable, as we heard so aptly this afternoon. It is based on the goal that we are supposed to be able to continue to grow and develop when there is nothing in the history of Canada so far to indicate that will take place. It is inadequate because it is not an honest position of giving hope to future generations. It saddles them with the responsibility of paying for a lifestyle which they did not enjoy but which we did.

• (1655)

That is a moral question as well. I believe that I should be held accountable and responsible for the things that I enjoy and the things that I want to do. I should not go to my children and say I want to drive a new car, I want to be able to do all of these things and they are going to pay for them.

This goal is a disincentive not only for us if our taxes are going to increase, which I understand from the minister, not directly but indirectly that they will, but it is also a disincentive in the sense that it provides little or no hope for our young people who will look forward to an increasing burden of debt. Is that the legacy we want to leave them? No, that is not what we want to leave them.

Much has been said this afternoon about compassion. The greatest compassion we can have is give to our young people the hope of living a better life than the one which we have enjoyed, to give them a tax burden which is less than ours, not greater than ours, one in which they will be able to initiate their own ingenuity, their own entrepreneurship, their own aggressiveness to be able to build a life which is self–satisfying and fulfilling, better than the one we have been able to give them.

We have not been giving them the example of managing money successfully and effectively. We have given them the impression that government can answer all questions, government can do all things and government can give them jobs. The answer is that government can do none of those things. As the parliamentary secretary said so clearly, it creates the environment in which these things can happen. This goal destroys that environment. We must change that. We must stop that and bring about a deficit which will reach zero in three years. That is what our plan is. That is what our party stands for. That is true compassion.

[*Translation*]

The Deputy Speaker: It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Burnaby—Kingsway—China; the hon. member for Frontenac—agricultural subsidies.

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, I would like to refer to a specific section with regard to retirement in the documents presented today by the Reform Party. It says that many seniors express frustration at mandatory retirement. Despite the fact that seniors are healthier and living longer than ever before, many of them are legally obliged to stop functioning as productive members of the economy once they turn 65. To complicate matters further, federally run pension programs start paying benefits at age 65.

Specifically, I would like to ask the hon. member if this means they are proposing to raise the age at which seniors are eligible to receive Canada pension plan and whether that is something which they propose to do instantaneously or phase in over a number of years.

Mr. Schmidt: Mr. Speaker, there are two parts to the answer to that question. The difficulty lies not so much in seniors wanting to retire at age 65, but that it is mandatory that they do so.

The important issue here is that there be flexibility and that no person would be required by law to retire at age 65. If they are healthy and willing to work beyond 65, they should have the opportunity to do so. They should also have the privilege to retire at age 65 if they choose to do that.

The second part of the answer with respect to increasing the mandatory retirement age or the age at which benefits would cut in, that it seems to me came from a meeting at which a Liberal person made a statement somewhere in Ontario. There is nothing in this document that says that we will increase the age requirement of the mandatory retirement age.

Mr. Nick Discepola (Vaudreuil, Lib.): Mr. Speaker, the hon. member for Okanagan Centre opened up his debate by questioning our 3 per cent GDP target and spent almost 70 per cent of his time wondering whether we would achieve that 3 per cent GDP target.

• (1700)

In his preamble the hon. member stated that the 3 per cent GDP target was arrived at by looking at an area on the map of the world because of geography, demographics and natural resources. It seems to me those same criteria apply even more so to Canada.

In 1993 in terms of objectives, there was a party that had zero in five, another party that had zero in three, and another party that had three in three. Canadians spoke and said that a target of 3 per cent of GDP was acceptable to them.

I question the whole approach of the Reform Party today. Whenever we talk about the deficit, with each dollar we look at there is always one aspect we must remember as parliamentarians: there is a person, a human being behind that dollar. We are going to touch every single human being with the decisions we make.

Yes, a 3 per cent GDP target may not be ambitious for financial institutions and others, but it is an interim target. It is something Canadians can hold on to dearly. Even if we achieve that target the Minister of Finance in his address to the finance committee admitted publicly that we must strive for the day when we will have a balanced budget.

I ask the hon. member where in his party's platform do they see that compassion, that understanding for the human face that is behind every dollar? Their proposals go after the weakest provinces, after those on welfare, after the unemployed and after seniors. We must show compassion, as the hon. member said.

Mr. Schmidt: Mr. Speaker, I am very pleased to be able to address the question of compassion. The greatest compassion we can give is that of hope for a better future. There will be no better demonstration of that than to give to the Canadian people a balanced budget with the hope of reduced taxes in the future. That is true compassion.

The other part of compassion is to give to those who cannot look after themselves the wherewithal to look after themselves. If we analyse the alternative budget presented this morning, we will see very clearly as one of the major principles in the social programs that those who cannot look after themselves will be the very first to receive the social program benefits. Those who must be looked after will be looked after. That is true compassion.

It is when we kick people who are down that we have no compassion. For people who can help themselves, we let them develop the strength and empower them so they can look after themselves. That is also compassion, to let them realize what they are capable of becoming. Then we look after those who cannot do that for themselves. That is true compassion and that is the human being behind the dollar.

Mr. Clifford Lincoln (Parliamentary Secretary to Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, in our electoral red book, which became the action plan of the Liberal Party during the 1993 election, we proposed a holistic way to look at government.

We proposed to the Canadian people that the basis of funding services and programs has to be money, and budgetary considerations have to be paramount. At the same time, we proposed and suggested that there are social responsibilities a government cannot avoid.

We admit that previous government administrations, including Liberal governments, have built a huge debt for which we are now responsible. We have to attack that debt, reduce it, and reduce our huge deficit. At the same time, we suggested we cannot do so at the expense of the government's responsibility to look after social programs and all the various services only a government can give.

• (1705)

What we proposed is the formula adopted by the European community of 3 per cent of GNP after three years, the reduction of our deficit to $25 billion. As we have said, naturally this is the first phase. We will have to go farther than this. We are all conscious of that. At the same time however, we are convinced that we cannot do so at the expense of our basic fundamental responsibilities as a government.

My colleague from Vaudreuil put it very well. In all the equations, in all the formulas about deficit and debt reduction, people have to come first. People have to be the priority.

The basic argument we have with the Reform Party is not that we should attack the deficit and the debt, but how we should do it and the timeframe in which we should do it. Reform's formula is an instant formula: make the deficit disappear to zero within three years. Ours is gradual. Ours says we will reach an important target. It will take tremendous sacrifices on the part of Canadians as the budget will show next week. At the same time, we feel it is the only way to avoid the pitfall of sacrificing the services and social safety net that Canadians depend on.

I was struck by the budget presented by the Reform Party. There are all kinds of footnotes and references to economists, chambers of commerce, and institutes of actuaries in Canada. All the references, perhaps bar one, are of an economic nature. I have not seen any references to books, to social activists, to social reformists, or to community groups that might present ideas. I have not seen any references to an environmental network that might also have a say in how the affairs of a country are run. It is purely a budget relating to dollars and cents, added up and subtracted as if people do not count, as if people do not exist.

For example, there is a reference in the Reform Party's budget to the U.S. economy which has produced consistently less unemployment than Canada since the 1970s. One thing that is not pointed out which is pretty obvious to me is that the U.S. market contains a population of 260 million. It is a huge internal market whereas ours has barely 30 million people. The U.S. market and the U.S. economy are huge compared to ours, 10 times the size of ours.

At the same time the point the famous Reform budget does not make is that if the U.S. has a lower rate of unemployment, maybe it could also say that the U.S. has a lower rate of interest. What is not said is that every year, 30 million U.S. citizens go without proper health care because there is no universal health care in the United States.

We can compare countries, but if we are to make a fair comparison, we have to do it on a holistic and comprehensive basis. We do not select only the bits that are suited for our own arguments.

The Reform budget talks about Ireland and Denmark, but I noticed that it does not mention New Zealand, the latest experiment in fast track deficit and debt reduction. The New Zealanders decided that overnight Minister Douglas was going to wipe out the deficit, so they deregulated the financial markets. They cut the taxes for corporate and upper income earners by half.

• (1710)

New Zealanders drastically cut public services. In one day alone they closed 75 post offices because they cost too much. They significantly reduced any infrastructure dollars given to towns and municipalities for sewers, road works and other different infrastructure projects.

The result was that unemployment went from 4 per cent to 16 per cent. They went from being a very peaceful and safe society to one which is now experiencing a lot of violent crime. Poverty rates went up 40 per cent. New Zealanders now have to pay huge user fees to use medical services. They have no universal health care any more.

The amazing part is that this huge deficit reduction curve did not help. In fact it made life even more difficult and more painful.

We are saying that yes, let us reduce the deficit and the debt but let us do so progressively, responsibly and intelligently.

It strikes me that with this simplistic approach we can have a magic kingdom with this magic formula in three years according to the Reform Party. However, this magic kingdom I read about in its report is full of little conditions. I will just quote a few of them.

In social programs, the details of such longer run reforms of the social programs still have to be worked out. Yes, Reformers still have to work out the programs.

With regard to seniors and the famous tax back in old age security, the details of such a program requires further discussion with Canadians and seniors specifically. I would hope that if they have a tax back on seniors, they will discuss the details with Canadians and seniors specifically. Obviously they have not or otherwise they would not write it as such.

In regard to seniors, the Reform Party says: "We should abolish retirement at age 65". I was part of a commission when I was in the Government of Quebec. One minister at the time when I was in opposition decided overnight to lift the retirement age at age 65. I remember questioning him as to whether he had actuarial figures to show what the impact of this was going to be. I asked him if he had any studies to show what the impact was going to be on young people who would not get a chance to be employed if there was no retirement of seniors.

However, in the magic kingdom we just do this and retirement no longer happens at 65, regardless of the consequences to younger people who want to find a slot. I have a young daughter who is a teacher. In the first few years of her teaching life she cannot find a job because people do not retire at the top. However, Reform will do this and suddenly the magic has happened. Before proposing anything we have to know all our facts and figures.

On page 46 of the Reform Party's plan it says it would also investigate the possibility of equalizing UI premiums for employees and employers rather than making employers bear a

heavier payroll burden. Reformers say they will investigate and then they tell us that their figures are watertight.

Over the long term the Reform Party is investigating a number of options for the renewal of Canada's UI system. Reformers are still investigating a number of options for renewal of Canada's UI system yet they tell us with so much cockiness and assurance: "Oh yes, we are going to wipe that deficit to zero by a great magic. You can't but we can".

Reformers talk about the principles of social reform. The principles of social reform are to have families look after themselves. They want to put the accent on families. I am for that 100 per cent because I am a family man. Let us empower people in communities and I am with that too.

In the simplistic way of looking at things, once Reformers have looked after families, once they have looked after empowerment, once they decide to only take care of the needy—they do not explain who the needy are, the needy according to the Reformers, I wonder who the real needy are according to them—then everything else will take care of itself.

• (1715)

I will give my own personal experience. I have a retarded son. For 20 years or so, I have worked in community groups relating to the intellectually handicapped. We built schools, we built pre–schools. We started with volunteer groups trying to get out of the glue, trying to raise funds by selling bricks for schools, holding lotteries and fund raising events. Eventually it was only through government programs that we were able to set up a proper network which gave the services that eventually enabled the intellectually handicapped to find a place in the sun, to integrate into society.

Perhaps what the Reform Party does not want to accept is that we are an evolving society. Twenty or 30 years ago my son would have been kept hidden behind the bushes somewhere, but today people evolve. We have autistic children, we have severely handicapped children that go to schools because we have given them the means through expert help of finding a way to better themselves, to enhance their own personalities, their own beings.

Members of the Reform Party ignore the evolution of society. They think it is a static society. They talk about seniors as if we have a static group of seniors, whereas aging in Canada is happening at a rate which is exponential: to date something like 12 per cent of the population in some areas, and tomorrow it is going to be 18 to 20 per cent. They do not provide for that. All the figures are static. We are going to make seniors carry on, working beyond 65. We will have a tax back on old age security and somehow we are going to retrieve all this money and the $17 billion that is left we are going to distribute very evenly among all those that need it without saying how this criteria is going to be built.

They do not talk about what is happening in a society that is fast evolving with problems that are immense. We never knew Alzheimer's 20 years ago. We never knew the tremendous rate of cancer in society, of AIDS. We have all sorts of fantastic problems to face today. They are so complex and require so much money, require expert services, that private institutions cannot give them. Only government can give them because only government has that responsibility to the people who need it most. Whether we like it or not, the private world is geared to profit motives mostly.

What they do not say in their document which we say in our red book is that to all the problems of society, whether they be financial, whether they be educational, whether they be illiteracy, whether they be a social dysfunction in families, have root causes. We have to address the root causes of them.

I do not see anything in their budget that addresses the root causes. It is strictly an economic document that talks about dollars and cents, that balances columns, that adds up and subtracts and arrives at $25 billion; $15 billion that they will take out of security and social systems and $10 billion in government operations and that will cure the world.

If they say it is only the Liberals that are crazy, that do not see their great magic, I will read to them that some critics from outside feel differently. "With this $25 billion in cuts to annual federal spending the deficit indeed will soon stand at nothing. So too might the country. It is here that Reform's proposals fall short. It is one thing to present some specific solutions, which the party has done, but it is another to set out the consequences, which the party has not done". That was written by the Edmonton *Journal* from the province from which many of them come.

It says in the Ottawa *Citizen* on November 29, 1994: "The Reform Party does not know what impact the deep spending cuts that it is proposing will have on the economy or on individuals, party finance critic Ray Speaker conceded on Monday".

In another editorial it states: "If you picture government spending as a runaway bicycle the Reform would jam a stick in the front spokes. It gets the job done but odds are that you will not recognize the face of the nation afterwards, nor would you want to look". That is the Ottawa *Citizen*.

• (1720)

"Reform Party's Preston Manning's shrill call for absolutely no tax increase sounds simplistic and irresponsible. The Liberals seem ready to chart a realistic course of how to get out of debt city and on to recovery road. It certainly beats the Reform

Party's slash and burn shortcuts which would take Canada nowhere fast". That is from the Montreal *Gazette*.

Then the Calgary *Herald*: "Reform, for its part, would rapidly slash federal government spending so as to create a fiscal balance while creating a huge social deficit in the form of greater unemployment and social polarization".

I challenge Reformers to show us how they really arrive at zero deficit in three years without raising taxes. Remember, if they do not raise taxes and suddenly cut everything in sight, they arrive at zero deficit. Then in their magic kingdom, empowerment, family life, giving the community the responsibility to administer all this, suddenly everything will come right.

The amazing part is that this does not take care of fishermen out of work in Newfoundland. I see that typically all the Reform members come from western Canada. I do not know if many of them travel to Newfoundland, to Prince Edward Island or Nova Scotia or New Brunswick or Quebec, or the Gaspé coast where thousands of people are out of work, where unemployment insurance is not something that people want to have because they feel good about it, but because it is needed for them to sustain a dignified living, to try to look for some other way to recycle themselves while they have no work.

Fortunately, sadly, these responsibilities cannot be passed on to somebody else. They have to be the responsibility of governments. Governments have to continue to be involved, to be responsible.

I believe that our budget approach of reducing the budget gradually to the point of 3 per cent of GNP by the next fiscal budget is a responsible approach. Then we go on to reducing it further.

In the meanwhile, the pain, the hurdles will be formidable enough as they are. Canadians are being asked to make tremendous sacrifices already. I believe their sacrifices will be worth it but certainly we should not ask them for more and the magic kingdom of the Reform is for naught.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, I sincerely respected the speech we just heard, particularly at the personal level.

Again I would like to state what we are really talking about here, to put it on a proper level of debate, is a different philosophy in arriving at the same goal. The Reform Party is not out to destroy social programs. What the Reform Party sees is the Liberal government, with its present course of action, in the process of destroying the ability to fund social programs.

I hope that the member and I could come to an agreement that we are both out for the same objective but we are attempting to arrive at the solution from different perspectives. I am sure the member is not suggesting that we do not desire to see the social programs not only continue but to be available for people.

With that in mind, I would draw this to his attention. We receive in the House a publication called "Quorum". On page 17 of "Quorum" he was quoting from the Edmonton *Journal*.

This quote is from the Edmonton *Journal* of February 18 where the energy minister, who is a member from Alberta, called the Moody's downgrade "irresponsible".

• (1725)

"It angers me when we are working very hard to get our fiscal house in order". She said Moody's should have waited until the budget is tabled, "and then if they do not think we have done enough; fine. Then they can let us have it."

"The truly important factor in all of this is that until we deal with our fiscal situation we are going to be held hostage by the Moody's and the others of this world. What they are doing is slowly undermining our sovereignty."

To me, that is a reflection of where Liberal members are coming from. They do not realize that when they look in the mirror and see broccoli on their teeth they should not smash the mirror, there is broccoli on their teeth. The problem in this case is that the Liberal government has been going out of its way to say Moody's is wrong. Moody's happens to be advising all of the people. The *Wall Street Journal* is wrong. All of these people are wrong and the Liberals are right.

I wonder if the parliamentary secretary would not agree that the remarks we are hearing from Dominion Bond Rating Service, from Moody's, and from all of these other publications are trying to tell us something, that in fact the 3 per cent level that the government has chosen will have the effect of destroying Canada's ability to be able to fund the programs that he and I want to maintain.

Mr. Lincoln: Mr. Speaker, I have listened to the Minister of Finance several times. He has met us in various meetings. I have listened to him here in the House.

We have gone to the people of Canada during an election where we put forward our electoral platform very clearly. We set in it exactly what we were going to do. We were going to reduce the deficit to 3 per cent of GDP within three years. We are on target to do this.

We set out the various programs that we wanted to keep, the programs we wanted to maintain as a social safety net, the programs we wanted to enhance, and we have set it out in very clear language with figures backing it up.

All the various financial houses were aware of what we were trying to do. The budget is going to come down within a week. We should all wait to see what it says, what it does, what thrust and direction it takes, whether it follows in the same path as the first budget, which it will do, and whether we are on the right target.

I am convinced that once the budget is down, once the facts are known, that all the various naysayers will agree that Canada is going in the right direction and following the right path, and that certainly we are keeping to our commitments in a very credible way.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, I will make a couple of comments and then ask a couple of quick questions of the Parliamentary Secretary to the Deputy Prime Minister.

First of all, I want to touch on his reference to New Zealand. The parliamentary secretary in referring to New Zealand said this was an example of what tough deficit reduction can do and has done. The Parliamentary Secretary to the Deputy Prime Minister should know that in fact New Zealand chose not to take tough deficit reduction action, and as a result its economy collapsed. Exactly the same thing happened there as Canada is facing right now.

One day there was no one willing to buy the bonds that New Zealand floated, and Canada is very close to that. That is what Moody's and the others are warning about. The parliamentary secretary had better do a little bit of reading on what happened in New Zealand so he can speak factually about what did happen. I thought I would correct him on that.

I would like to also talk about the target of 3 per cent of GDP in three years that he refers to as the target set in the Maastricht treaty. It was a deficit target but it was based on all government debt, not just federal government debt, whereas this Liberal target is on federal government debt only. The target the Liberals have set is nothing like the target set under the Maastricht treaty.

The Deputy Speaker: There did not appear to be a question in that. We are at 5.30 p.m. Perhaps the parliamentary secretary does not need to respond.

It being 5.30 p.m., it is my duty to inform the House that pursuant to Standing Order 81(19), the proceedings on the motion have expired.

* * *

[*Translation*]

INCOME TAX ACT

The House resumed from Friday, February 17, consideration of the motion that Bill C–59, an act to amend the Income Tax Act and the Income Tax Application Rules, be read the third time and passed.

The Deputy Speaker: Pursuant to the order made Friday, February 17, 1995, the House will now proceed to the taking of the deferred division on the motion at the third reading stage of Bill C–59.

Call in the members.

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

(*Division No. 163*)

YEAS

Members

Adams	Allmand
Anderson	Arseneault
Assadourian	Augustine
Barnes	Beaumier
Bellemare	Bertrand
Bevilacqua	Blondin–Andrew
Bodnar	Bonin
Boudria	Brown (Oakville—Milton)
Brushett	Bryden
Bélair	Calder
Cannis	Catterall
Cauchon	Chamberlain
Chan	Chrétien (Saint–Maurice)
Clancy	Cohen
Collenette	Collins
Cowling	Culbert
DeVillers	Dhaliwal
Discepola	Duhamel
Dupuy	Easter
Eggleton	English
Fewchuk	Finestone
Finlay	Flis
Fry	Gagliano
Gagnon (Bonaventure—Îles–de–la–Madeleine)	Gallaway
Godfrey	Goodale
Graham	Gray (Windsor West)
Grose	Harvard
Hickey	Ianno
Iftody	Irwin
Jackson	Karygiannis
Knutson	Lastewka
LeBlanc (Cape/Cap–Breton Highlands—Canso)	Lee
Lincoln	Loney
MacAulay	MacLaren
MacLellan (Cape/Cap–Breton—The Sydneys)	Malhi
Maloney	Marchi
Marleau	Massé
McCormick	McGuire
McKinnon	McLellan (Edmonton Northwest)
McTeague	McWhinney
Mifflin	Milliken
Mills (Broadview—Greenwood)	Minna
Mitchell	Murphy
Murray	O'Brien
O'Reilly	Ouellet
Pagtakhan	Parrish
Patry	Payne
Peters	Peterson
Phinney	Pickard (Essex—Kent)
Reed	Regan
Richardson	Rideout
Ringuette–Maltais	Robichaud
Rock	Serré
Shepherd	Sheridan
Simmons	Skoke
Speller	St. Denis
Steckle	Stewart (Brant)
Stewart (Northumberland)	Szabo
Telegdi	Thalheimer
Tobin	Torsney
Ur	Valeri
Vanclief	Walker
Wappel	Whelan
Wood	Young
Zed—129	

NAYS

Members

Abbott	Ablonczy
Althouse	Axworthy (Saskatoon—Clark's Crossing
Bellehumeur	Benoit
Bergeron	Blaikie
Breitkreuz (Yorkton—Melville)	Brien
Bélisle	Caron
Chatters	Chrétien (Frontenac)
Cummins	Daviault
de Jong	Deshaies
Duceppe	Duncan
Epp	Fillion
Forseth	Frazer
Gauthier (Roberval)	Gilmour
Godin	Hanrahan
Harper (Calgary West)	Harper (Simcoe Centre)
Hart	Hayes
Hermanson	Hill (Macleod)
Hill (Prince George—Peace River)	Jacob
Lalonde	Landry
Lavigne (Beauharnois—Salaberry)	Lebel
Leroux (Richmond—Wolfe)	Leroux (Shefford)
Loubier	Manning
Marchand	Martin (Esquimalt—Juan de Fuca)
Mayfield	McClelland (Edmonton Southwest)
Mills (Red Deer)	Morrison
Nunez	Paré
Ramsay	Ringma
Robinson	Schmidt
Solberg	St-Laurent
Stinson	Strahl
Taylor	Thompson
Tremblay (Rimouski—Témiscouata)	White (Fraser Valley West)—64

PAIRED—MEMBERS

Members

Alcock	Asselin
Axworthy (Winnipeg South Centre)	Bachand
Bakopanos	Bernier (Gaspé)
Bernier (Mégantic—Compton—Stanstead)	Bouchard
Canuel	Clancy
Comuzzi	Crawford
Crête	Dalphond-Guiral
Debien	Dingwall
Dubé	Dumas
Fontana	Gagnon (Québec)
Gerrard	Guay
Guimond	Harb
Hopkins	Jordan
Keyes	Langlois
Laurin	Leblanc (Longueuil)
Loubier	MacDonald
Nault	Rompkey
Terrana	Wells

[*English*]

The Speaker: I declare the motion carried.

(Bill read the third time and passed.)

The Speaker: It being 6 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*]

UNEMPLOYMENT INSURANCE ACT

The House resumed from Thursday, December 8, consideration of the motion that Bill C–216, an act to amend the Unemployment Insurance Act (jury service), be read the third time and passed.

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, I would like to speak in favour of the bill tabled by the hon. member for Restigouche—Chaleur and tell him that we, the official opposition, truly hope that this private members' bill will become law.

It is indeed a flagrant injustice that people collecting unemployment insurance lose their benefits when they accept jury duty. It is an injustice of the kind that could compromise justice in all of the provinces and in all of Canada.

Some people have said that this provision should be covered by provincial law. I think it should be the opposite. In fact, what we have before us is an amendment to the Unemployment Insurance Act that would guarantee that jurors would not lose their entitlement to UI benefits because they are on jury duty. I must point out that, for the act to apply, the person submitting the claim for benefits under the Unemployment Insurance Act must already qualify and continue to qualify under this bill.

It is difficult to be a juror. It is certainly more difficult than being a member of Parliament who is trying to deliver a speech when everyone is talking. They have to carry out certain duties and we should at least make it easier for them. In fact, it is thanks to jurors that we have a justice system that is based on decisions made freely by citizens—

The Deputy Speaker: Dear colleagues, would you please stop talking and show a little respect for the hon. member who has the floor.

Mrs. Lalonde: Thank you, Mr. Speaker. It seems to me that this issue is important enough to give a member of Parliament the right to a modicum of attention, in the same way that unemployed jurors merit to qualify for benefits.

The current provisions of the Unemployment Insurance Act prevent UI claimants from accepting jury duty. I believe that one factor should weigh heavy in the decision that this House and eventually the government must take, and that is that, day in, day out, including any allowances to be made for Quebec, on the average 30 per cent of all those who are able to work or have worked are on unemployment insurance. Not everyone milks the

system until their benefits run dry. What is more, with the new cuts we are seeing, it is not everybody who qualifies for unemployment insurance for several months.

There is therefore a significant number of citizens who, each year, rely on unemployment insurance. Something does not make sense when the judicial system must pass over these citizens, who are available anyway, only to call on others.

Furthermore, it hardly makes any sense either that those who must serve as jurors are only paid the meagre allowance of $25 per day.

• (1805)

It is not merely a question of amending the Unemployment Insurance Act to ensure that people chosen for jury duty may exercise their right to do so—recognizing that they are not handsomely paid since, as people say, no one gets rich on unemployment insurance in any case—and continue to receive at least the minimum to which they were already entitled under the Unemployment Insurance Act, thereby allowing them to perform this function which is eminently necessary to a democratic system, namely being chosen at random from the population for jury duty.

I say to the minister that this is not only a reform worth carrying out, but rather one that should have been carried out a long time ago because of the many negative consequences for ordinary people. In that way, we would be sure at least that persons receiving unemployment insurance benefits would not try to avoid this important role which is also very demanding physically and morally.

Since certain responsibilities are already being imposed on them, we would like to allow them to keep at least some peace of mind, which is in any case greatly diminished since unemployment insurance is hardly a king's ransom.

So I would ask the House to vote for the amendment proposed by my colleague from Restigouche—Chaleur and I say to him that Bloc Quebecois members will vote for this amendment.

[*English*]

Mr. John Murphy (Annapolis Valley—Hants, Lib.): Mr. Speaker, it is a pleasure to rise today to speak in favour of the private member's bill of my hon. colleague which will enable those claiming unemployment insurance to receive their regular benefits while they are engaged in jury service.

First, I congratulate the hon. member for Restigouche—Chaleur for the thoughtfulness and thoroughness he has shown in redressing this problem in the Unemployment Insurance Act. Through his efforts the House has learned that it is difficult or impossible for unemployed Canadians to fulfil their legal responsibilities as citizens of the country when asked to perform jury duty.

However, what is most impressive is that through the efforts of my hon. colleague, the Government of Canada is now in a position to rectify an unfair situation. This is an excellent example of how people can use the system to make changes that benefit all Canadians. A constituent has voiced an important concern and as a result of my hon. colleague's actions we now have a bill before us that will redress an injustice faced by many Canadians.

I am sure we all agree that private members' initiatives such as this one provide a valuable direct link between the concerns of our constituents and positive legislative change. Furthermore, the enthusiasm of our government to support the process can only strengthen the democratic parliamentary process.

The government's support of the specific bill clearly indicates that we are open to reviewing all aspects of our social programs and correcting flaws therein. We know our current programs are far from perfect. Some may have outgrown their usefulness and others have not kept pace with time.

In this case we must ensure the system does not penalize people who are merely trying to fulfil their responsibilities and duties as Canadians. To vote in support of the bill is simply to acknowledge that UI claimants should not be penalized when they engage in jury service. They are, after all, serving their country by doing a stressful job that ultimately benefits all of us.

It makes no sense for one arm of government to force a person into service while another arm of government punishes a person for providing that service. With no alternative at hand, more and more judges have little choice but to excuse UI claimants from jury duty. This is not a solution but merely a stop gap measure. Judges have stated their disapproval with the current system to both the Minister of Human Resources Development and the Minister of Justice. Exempting UI claimants from jury duty removes the claimants from an unfair situation. The question we must ask, however, is: Why not simply stop creating the unfair situation in the first place?

• (1810)

Judges have pointed out that by excusing UI claimants from jury duty on compassionate grounds it makes it more difficult to ensure the accused will receive his or her right to a trial by a fair and true jury of peers.

There are two reasons for this. In regions of higher unemployment, for instance, the routine exemption of potential jury members because they are on UI arbitrarily decreases the pool of jury members available, often to the point where it is difficult to ensure that a jury is selected from a broad cross–section of society.

Furthermore, as my hon. colleague from Restigouche—Chaleur has pointed out, in trials where the defendant is unemployed the automatic exclusion of all UI claimants from the jury could have a serious bearing on the defendant's right to a trial with a jury of peers who understand the circumstances and life situation of the defendant. Under the current system, however, judges

have no other road open to them except to excuse UI claimants from duty.

There are good reasons Canadian citizens are legally obligated to engage in jury service when called upon. Each one of us has a right to trial by a jury selected from among our peers. This is a principle we cannot afford to tamper with. The principles involved and their accompanying social consequences surely warrant the small increase in unemployment expenditures that would be involved.

Finally, we must emphasize that most employees continue to be paid their normal salaries while fulfilling jury duty obligations. Their collective agreements protect them from the injustice of losing their jobs or losing income when they perform this service. It therefore seems unfair for the federal government to cut off UI claimants when so many employers are not permitted to lay off or fire employees for the same reason.

The bill will help our fellow Canadians to fulfil their civic duty without undue hardship. It will also help to ensure that the fundamental principle of a fair trial by jury is maintained. For all these reasons I am convinced all my colleagues in the House will vote in favour of the bill.

I thank my hon. colleague for bringing forward this important piece of legislation. I encourage all members of the House to support the bill before us today.

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, once again I rise to speak against this private member's bill. The bill would allow unemployment insurance claimants to collect unemployment insurance while serving on juries. It clearly demonstrates why the country is in such a serious financial crisis. Instead of finding ways to save millions of dollars, the government is busy running around finding more ways to spend millions of dollars.

Some hon. members: Oh, oh.

Mr. Breitkreuz (Yorkton—Melville): I hear the jeers coming from across the floor. I would appeal to members of the House to listen to reasoned debate. If every member would listen to the issues at stake in the bill and each vote according to his or her conscience, I believe the result would be very different from voting along purely party lines.

It is essential to look at the issues. I have heard the description of the problem but there are some options the government has refused to consider. That is why I oppose the bill. I will speak to it and give the reasons for opposing it.

I will say right now, and I will say it openly, that the Liberals just do not get it. Canadians are sick and tired of governments that spend more than they take in. Canadian taxpayers are sick of members of Parliament who are more concerned about paying unemployment insurance claimants to sit on juries than they are about them looking for work.

• (1815)

I listened to the hon. member's intervention. It reminds me of somebody who looks at his bicycle and sees that one tire does not look the same as the other. One is flat and one is not. He decides he is going to make them both look the same and punches a hole in the one that looks good. Then they both look the same. That is the Liberal way of solving some of these problems. If we have a problem with the justice system we do not fix it with the UI system. It is that simple. We are creating inequities. I am getting ahead of myself. Let me get into this reasoned debate that the members need to listen to.

The hon. member for Restigouche—Chaleur quite rightly identifies the problem with the poor compensation that provinces pay citizens to sit on juries. Rather than doing something about the specific problem, he attempts to avoid the real problem by giving jurors a handout from the unemployment insurance program.

Do you think it will ever be properly solved once you do this? The answer is obvious, no. Once we start going along this path, it will not be properly solved in the justice system where the solution should take place.

In this bill the hon. member proposes to break the fundamental insurance principle that all UI claimants should be available for work in order to collect UI benefits. The government has strayed so far from the rules of a true insurance program that many Canadians already think that unemployment insurance is a social program, and that is a fundamental mistake.

I am here to remind the hon. member, the Liberal government and all taxpayers in Canada that unemployment insurance is an insurance program, not a social program.

When the Reform Party forms the next government we will put an end to all this social engineering nonsense and return the UI program to its original purpose, an employer–employee funded and administered program to provide temporary income in the event of unexpected job loss. That was the original intent.

The hon. member says that this non–insurance measure will only cost $2 million or $3 million. Does he really think that voters want their government to spend $2 million or $3 million more to pay UI claimants in this way? Has he asked the voters in his constituency if they had $2 million or $3 million to spend if this would be their priority?

I do not think this member would get this support if he had gone to his constituents. I do not think they would support the direction of this government and the way it is heading with this bill.

He gets several individual complaints. I have talked to the member. People are giving comments across here, but I have talked to him directly and he has received several complaints. This is not a big push from across the country, believe me.

Here we are in the midst of the most serious financial crisis the country has ever faced and the best bill that this member can come up with is a bill that would spend $2 million or $3 million more. If we eliminated all the special handouts like the one proposed by the hon. member which the Liberal government has added to this UI program since 1971 we would save billions of dollars.

Why has this government got its priorities so mixed up? Again, I say it just does not get it. Taxpayers do not want to spend more. They want to spend less. Workers and employers do not want high UI premiums. They want lower premiums. This will force them up.

What kind of petitions has this member received in his office? Has he received any petitions? How many hundreds of letters has this member received complaining about this issue? Has any MP received even one petition concerning this? I receive petitions and letters complaining about the government's gun control proposals and I receive many petitions and letters opposing the government's plan to include sexual orientation in the Canadian Human Rights Act. I receive many petitions to balance the budget and not raise taxes. Is this hon. member saying that he has received these petitions? I doubt it.

If he is I have to question the hon. member on his priorities in bringing this bill before Parliament. Who supports this bill besides some Liberals who have their thinking locked into the 1970s?

• (1820)

The senior officials at unemployment insurance certainly do not think it is a good idea. Talk to the people there. They know it goes against their own insurance guidelines and they were opposed to it until it went to the standing committee.

Their claims adjudication guidelines state:

> As a general rule, a UI claimant who is on jury duty is not considered to be available for work during a trial. The unemployment insurance plan was not designed to provide compensation for lost wages in such circumstances.

The experts at unemployment insurance add that the problem is not with the UI rules on availability but rather the poor compensation provided for jurors. Reformers agree.

There is the problem. That is where it should be solved, not with the unemployment insurance plan. The research branch of the Library of Parliament also concurs with us:

> The primary issue in this matter seems to be that adequate remuneration for jury duty is the responsibility of the provinces rather than that of the employers and employees who contribute to the unemployment insurance program.

Those are the experts in the Library of Parliament.

If the government actually gave the employers and employees who pay for the UI program a real say in how their money was being spent, I do not think they would agree to provide benefits to claimants while they are serving on a jury.

If the voters are not clamouring for this change, if the experts at unemployment insurance say it goes against insurance principles, if the researchers at the Library of Parliament agree it is the responsibility of the provinces, and if the workers and employers who pay UI premiums are not asking for it, who is? Only the hon. member for Restigouche—Chaleur and his misguided supporters in the Liberal caucus can answer that.

The law is simple. If UI claimants are serving on a jury, they are not available for work. If they are not available for work, they are not entitled to unemployment insurance. Fix the system where it is broken.

UI claimants are supposed to be looking for work while they are receiving benefits. If they are serving on a jury, they cannot be actively looking for work. Unemployment insurance is not a guaranteed annual income and should not be treated as such.

Everyone collecting unemployment insurance must be actively looking for work and ready, willing and able to accept a job immediately. If the Liberals compromise the insurance principle of availability to allow jurors to collect UI, who is the next group they will designate as deserving special treatment and special status? They opened the door and they are going to have to accept other people with similar excuses.

Reformers say the UI program must be returned to a true insurance program. In order to do this all of the special programs, exemptions and exceptions, including the discriminatory elements such as variable entrance requirements and regional extended benefits, have to be eliminated.

If unemployment insurance ran like a true insurance program, anyone who collects UI repeatedly would have to pay higher premiums. Any employer who regularly lays off workers would also have to pay higher premiums. This private member's bill takes us in the opposite direction to where Reformers want to take unemployment insurance. This is the main reason we cannot support this bill, but not the only reason.

I hope everyone is listening carefully to this next point, because for a government that claims to be the champion of equality, it goes against that basic principle. If this bill were adopted even the principle of equality would be jeopardized. An

employed person is expected to take time off work for jury duty. Often they are not compensated for their lost pay.

Now we have the situation with a worker sitting on a jury, losing money because he or she is doing public duty. Beside him is someone being paid by the public purse, a UI claimant getting paid by the government to do the same job.

No one I have heard speak from the other side or even from the Bloc has addressed these two problems. Fix the system where it is broken. Fix the justice system. What are they going to do about the inequities they create with this kind of system?

• (1825)

That answer has not been forthcoming. It should be answered before he supports this bill. The hon. member raises the point that often employers pay their employees while they are serving on a jury and that it is unfair to UI claimants to have their benefits cut off.

If this charge were allowed to pass, what does the member think will happen? If a worker is called to do jury duty, the employer will lay him off so that he can go on UI and collect payments. In other words, one is opening the floodgates to have many people collect UI who normally would not be able to do so because they are laid off by their employers when they have to serve on a jury.

Those members are creating a problem. They are not solving a problem. They are making two flat tires instead of fixing the system where it is broken. This would undoubtedly lead to an increase in UI claims for people serving on juries and therefore an increase in cost to the UI program, which is already billions in debt.

While there may be a problem of fair compensation to all persons who serve on a jury regardless of their employment status, we do not believe that tinkering with the Unemployment Insurance Act and intruding into this area of provincial jurisdiction is the way to solve it.

A simpler solution we propose is for judges to use their discretion to excuse UI claimants from jury duty, as has been done in the past, or else have the provinces deal with the problem. It is their problem.

In closing, it is obvious that jurors are not fairly compensated and on this point my hon. friend and I agree. It is inexcusable that jurors are asked to work for days, weeks and in some cases months for $15 or $20 a day.

The Reform Party was founded on the principles of equality, fairness and common sense. That is lacking in this bill. We find that this is an area that needs to be addressed, but this is an area of provincial jurisdiction. Reformers believe the federal government should not be interfering in areas that are clearly a provincial matter.

The flawed logic behind this type of thinking has this country $550 billion in debt. Every time there is a problem, they do not fix it where it is broken. They simply throw more money at it. This type of thinking costs us $40 billion in interest payments every year; it is this type of thinking, this debt and the interest payments that are the biggest threat to the future of most of our social programs.

Canada cannot afford to make these kinds of decisions with our hearts instead of our heads. Reformers will vote against this bill.

The Deputy Speaker: There being no other members who wish to speak, I will call on the sponsoring member to close the debate.

Mr. Arseneault: Mr. Speaker, I will not take too much time. It has been four years since this subject came to Parliament. Much has been said in committee and in the House. Rather than review all that, I want to take this opportunity to thank my colleagues from the Liberal Party who supported me.

[*Translation*]

I would like to take this opportunity to draw attention to the support provided by the Bloc Quebecois

[*English*]

I would also like to thank my colleagues from the Reform Party who have certainly enlightened us on their point of view in this debate. I appreciate that. They have their point of view. I appreciate their point of view, but again we have ours.

I would like to thank every one of my colleagues but I would be remiss if I did not thank the officers of the Chamber who have helped me immensely. They have guided me whenever I needed guidance with regard to the bill. Also my own staff have been very efficient in helping me with this bill. The clerks and personnel of Private Members' Business have been super in giving me information and advice. I thank them this evening and I look forward to their support on this bill.

• (1830)

[*Translation*]

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

Some hon. members: On division.

The Deputy Speaker: I declare the motion carried on division.

(Bill read the third time and passed.)

ADJOURNMENT PROCEEDINGS

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

AGRICULTURAL SUBSIDIES

Mr. Jean–Guy Chrétien (Frontenac, BQ): Mr. Speaker, yesterday I was asking the Minister of Agriculture about agricultural subsidies, and, more specifically those allocated to grain transportation in western Canada. On the eve of the budget, my concern was to try to find out a little more about the intentions of the minister, who wants to review all agricultural subsidies.

The Minister of Finance ended the suspense this afternoon. The budget will finally be tabled at 4:30 p.m. on Monday, that is, in a week's time. We will then discover the fate of agricultural subsidies. We will discover, finally, whether existing rail carrier subsidies will be replaced by direct subsidies to western grain producers.

So, in answer to my question, the minister gave a rather vague response. He said his colleague in transport and he had been involved in discussions with the primary stakeholders and that the details of the discussions would be made available once the budget was tabled in this House.

The message is clear. We will not have any more information until next week. The minister's response to this, in a minute or two, will be, I expect, a good couple of minutes of fine speech–making, devoid of content. Why do I bother, you might ask, Mr. Speaker? I do so to protest the government's attitude in this matter.

Yesterday, the minister said that Western grain transportation reform had been debated quite often during the past 25 years. As far as I know, his party, the Liberal Party, has been in power for the past 25 years, longer than it deserves, and it never had the guts to take action in this respect. What we have been seeing lately seems to be a rerun of what happened in the past. And that is what bothers me.

Last summer, the Minister of Transport announced that the Crow rate would be abolished. His colleague at Agriculture and Agri–Food hastened to say his department would pick up the slack by making the necessary changes. The committee on payments to producers examined the question and made a number of recommendations, which included transferring the subsidy directly to producers to help them adjust to the new situation.

• (1835)

We expected the minister to let us know whether he supported this approach. Not a word from the minister.

Since that time, it seems the minister has seen talking and consulting quite a lot. That is why I am anxious to hear what kind of measures the minister will implement to make this an effective and satisfactory subsidy for producers, while meeting international trade standards.

There is a risk, however, and this will affect farm producers across the country, that the $566 million paid to Western rail carriers will be paid directly to Western producers only, who will then be able to diversify their operations and, in the process, compete with farm producers in the rest of Canada, which would improve their competitive position.

Imagine, for instance, that with the help of the subsidy, Western producers would be able to raise hogs more cheaply than producers in Quebec or Ontario. This would mean unfair competition with the help of public funds. Can you see farm producers in Quebec and Ontario paying Western farmers to compete unfairly on the hog market? I am using hogs as an example, but it could any kind of livestock that would allow Western farmers to compete with producers in Quebec or Ontario or the Maritimes.

The Deputy Speaker: I am sorry but I did not notice the hon. member's time had expired. We will now proceed with the response from the parliamentary secretary.

[*English*]

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration, Lib.): Mr. Speaker, the Minister of Agriculture and Agri–Food meets regularly with industry leaders, including l'Union des producteurs agricoles du Québec.

These discussions have led to legislative amendments to the Western Grain Transportation Act which were tabled in December. These amendments will ensure better use of scarce taxpayer dollars as well as protect our producers from potentially damaging trade actions.

While important, Bill C–66 will not be sufficient in itself to fix all that ails our grain handling and transportation system. Broader reforms are necessary for four very strong reasons.

First, we must deal with the harsh reality of fiscal limitations and the battle against the debt and deficit. Second, we must comply with the requirements of the new GATT agreement with respect to the disciplines that apply to trade distorting subsidies. Third, we need to unlock new grain handling and transportation efficiencies leading to a lower cost and faster system overall.

Fourth, we need to foster greater agricultural diversification and a trend toward more value added processing.

To accomplish these objectives the Minister of Agriculture and Agri–Food and the Minister of Transport have been conducting two sets of comprehensive consultations for all the players in the Canadian grain handling and transportation system. This will go far to solving the problem.

CHINA

Mr. Svend J. Robinson (Burnaby—Kingsway, NDP): Mr. Speaker, I am pleased to have an opportunity to follow up on a question I originally asked in this House on November 1 last and then followed up with a further question on November 16. These questions related to the visit of the Prime Minister and a group of cabinet ministers, including the Secretary of State for Asia–Pacific and others, to China and to Asia.

At that time I raised concerns, in particular on November 16, with respect to the issue of Canada's support and particularly that of the Prime Minister for the Three Gorges dam in China. I am appalled that the government would support such a project which would have an enormously destructive impact not only environmentally on China, but also on its people. This project would involve displacement of over one million Chinese from the Yangtze river area.

• (1840)

When the Liberals were in opposition they took a very different position. The Secretary of State for Latin America and Africa said: "While I realize the building of this dam would provide Canada with substantial business opportunities, is it worth the cost? The dam will impoverish and dislocate millions".

In addition I would note that any opposition to this dam was ruthlessly suppressed in China. The authors of a 1989 book called *Yangtze Yangtze*, a group of distinguished Chinese officials with scientific and technical degrees, had their book banned. One of them was jailed and fired from her job and others were taken into custody.

It is appalling, as I said, that this government would support this. I am pleased that the premier of the province of British Columbia has indicated that the province of British Columbia would not participate in any way in the contracts for Three Gorges.

I also want to take this opportunity during the time of the United Nations commission on human rights to urge the Government of Canada to support in the strongest possible terms the resolution which is coming before the commission with respect to China. I would note that resolution in its draft form includes a specific reference to Tibet as well and the concerns around the very serious human rights violations in Tibet. I hope that there will not be any attempt to water down that resolution and to refuse to make reference to Tibet.

Finally, I want to note that human rights concerns continue to be a matter of great priority. I was disappointed that the Prime Minister apparently only paid lip service to these concerns during his visit to China. The premier of Nova Scotia did not even notice that he had made reference to it. Afterwards he was reminded that perhaps he had. We saw in December of last year the fact that Chinese courts have handed down terms of imprisonment of up to 20 years, terms of 20, 17, and 15 years for non–violent peaceful Chinese dissidents. This is totally unacceptable.

I expect our government to speak out. I expect our government to speak out as well with respect to the issue of East Timor at the United Nations commission on human rights and to support a strong resolution on this issue.

I welcome an assurance from the Secretary of State for Asia–Pacific that this government will come to its senses and will withdraw its support for Three Gorges and for the sale of Candu reactors.

Hon. Raymond Chan (Secretary of State (Asia–Pacific), Lib.): Mr. Speaker, I appreciate the interest of my colleague across the floor. He brought up quite a number of issues, but today I would like to take this opportunity to respond to his concern on the Three Gorges issue.

We have to recognize that the decision by the Chinese government on the Three Gorges dam project is not based on the support of Canada. The hon. member spoke about quite a number of reasons on the negative side, but I would also like to bring the attention of the House to the positive aspects of that project.

The Chinese have begun work on that based on several reasons, one of which is the urgent need to protect some 10 million people from flooding below the dam site and also China currently uses coal based energy sources, which we all agree have a large negative impact on the environment. Hydro electricity is a cleaner source of energy. China faces critical shortfalls in electric power which hamper the creation of jobs in a disadvantaged region of China. There is a need to improve navigation on the Yangtze River so as to allow shipping to reach Chongoing, one of China's largest cities.

In a Chinese context, the Chinese government, faced with the urgency of the region's requirements, considered the solution to be both viable and optimum. It is implementing the project. That decision is not based on what Canada has decided to do.

On balance we see the contribution of Canadian companies as positive. Canada is a world leader in the environmental technologies and services sector. Canadian companies, therefore, have an important and significant contribution to make to China as it

addresses the environmental aspects of this project. Their participation could introduce management and technical features that would reduce the project's negative impact. That is why the government will support Canadian firms. Their environmental practices and expertise could positively influence the project.

Also it is important to note that the Canadian power sector has identified China as a key market to bridge flagging domestic demand and to ensure its survival over the next decade. They are using a Team Canada approach to China. Their participation in the Three Gorges project could create some 35,000 jobs in Canada, many of which would be in the troubled high value added electrical industry and SME suppliers.

Canadian hydroelectric and environmental firms are among the best in the world and are therefore well placed to win contracts. However international competition will be intense. Business and the attendant jobs in Canada will only be won with strong government support.

The Deputy Speaker: I regret to inform the hon. minister that his time has expired.

Pursuant to Standing Order 38 the motion to adjourn the House is now been deemed to have been adopted. Accordingly the 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, February 22, 1995

The House met at 2 p.m.

Prayers

[*English*]

The Speaker: My colleagues, today is a rather special day in our Parliament. I want to explain how we are going to proceed.

We will have statements by the leaders of various parties. Then we will have the introduction of our new members of Parliament who will be joining us today, following which will be statements.

[*Translation*]

We will then move on to Oral Questions. The Prime Minister has the floor.

* * *

TRIBUTE TO HON. LUCIEN BOUCHARD

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, on behalf of all members of this House, I wish to extend a very warm welcome to the Leader of the Opposition. All members of this House and all Canadians salute the courage and determination shown by the Leader of the Opposition throughout his recent ordeal.

I also wish to pay tribute to Mrs. Audrey Bouchard and her children for their support for him during this very difficult time, which certainly played a major part in helping the opposition leader recover so quickly.

[*English*]

I would like to thank all Canadians, despite the differences of opinion we might have, who have shown to the Leader of the Opposition their sympathy and moral support in praying for him to recover his health in as short a time as possible.

[*Translation*]

Since it is one of his fondest wishes, I would like to say to the Leader of the Opposition, on behalf of all members of this House: Welcome back to the shop.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, on behalf of all Reform members, including myself, I wish to welcome back the hon. member for Lac–Saint–Jean.

We parliamentarians are all professional politicians. Although, in the course of our public lives, we often express heartfelt and varied opinions on matters of public policy, we remain human beings united by our shared love of life and health and by our vulnerability to disease and tragedy.

When the hon. member became ill, all members of this House shared a feeling of solidarity because of their common concern for their colleague.

Those of us who believe that the ultimate secret of life and death rests in the hands of the Supreme Being prayed for his recovery.

When we learned that the hon. member was out of danger at last, we shared feelings of relief and gratitude.

• (1405)

It is a tribute to the hon. member's courage and determination that all members of the House put their differences aside and showed their solidarity through their concern for his recovery and well–being.

I therefore would like to express these feelings today by welcoming the hon. member back to the House and wishing him excellent health in the future.

Hon. Audrey McLaughlin (Yukon, NDP): Mr. Speaker, upon the return of the leader of the Bloc Quebecois to the House of Commons, I would like to say, on behalf of the New Democratic Party, that we are glad to see him back in good health.

The news of the devastating disease that struck the leader of the Bloc Quebecois came as a terrible shock. Beyond all our differences, compassion is the bond that unites us.

[*English*]

I would like to offer my best wishes to the leader of the Bloc Quebecois and to his courageous family.

The Speaker: The hon. member for Lac–Saint–Jean.

Some hon. members: Hear, hear.

[*Translation*]

The Speaker: Welcome back, Lucien.

Some hon. members: Hear, hear.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, these past two months have taught me something about this House and its members. They taught me that one can get homesick for this place.

I return here with feelings of gratitude, with pride and confidence. I am grateful to you, Mr. Speaker, for your constant concern throughout this difficult time. I also wish to mention the courtesy and understanding shown by the Prime Minister. His heart is in the right place. I am deeply grateful to the ministers and to the other party leaders and members of all parties who supported me with their messages of encouragement and, in so doing, perpetuated a tradition of compassion that is a credit to this House. I applaud this ability to rise above the many differences we may have, even in the midst of a debate that is about the future of Canada, no less.

Also, Mr. Speaker, it should come as no surprise to you that during the anxious days that brought me these expressions of sympathy, I felt very close to all of you.

At this point I want to thank from the bottom of my heart my friends and colleagues in the Bloc Quebecois caucus. They behaved like a family that, when one of its members is hurt, summons the courage and dignity to carry on. I want to say how much I appreciate their wonderful solidarity and the tremendous job they have done during my absence.

I am also deeply grateful for the thousands of expressions of encouragement I received from my fellow citizens. I must say I felt strengthened and comforted by their prayers and best wishes.

My illness gave me first–hand knowledge of how our health care system works. I have the greatest admiration for and am deeply grateful to the doctors and other caregivers at the Saint–Luc Hospital in Montreal who saved my life and those at the rehabilitation institute in Montreal who helped me learn to walk again. Their dedication and competence have reinforced my commitment to protecting and improving our social programs.

• (1410)

[*English*]

And so today we answer the call of duty and again take up the mandate that was given to us by the people.

Yes, I have been looking forward to this moment since a certain day in December when technology and destiny combined to give me another chance. If the rallying cry of democracy is stand up and be counted, I respectfully ask to be counted.

I have so much to remember, the sympathy and compassion from this and every other quarter, from Quebec and from the whole of Canada, from friends and strangers alike. In such circumstances who is really a stranger? I remember a yellow rose, a gracious gesture by a gracious lady.

In our moments of anguish my family and I were not alone. This we shall never forget. Our gratitude goes to all of those who offered us their thoughts and their prayers.

We come back to this Chamber with a renewed hunger for life. Time is so precious and there is so much left to do. And so we will concentrate on the more important things and give the best we can. Quebecers and Canadians alike can expect your faithful servant to remain true to his convictions and values, for our convictions may clash, as they do and will, but we share the same values of tolerance and respect for democracy; values that are tragically in short supply in a large part of the world. Where others fight with bullets, we fight with ballots, with arguments, with facts, with emotions and it should always be with respect for those who believe differently from us.

Let us never forget our common humanity. Let us never disallow our common need to reach out to one another so that in our times of suffering, of solitude, even despair, we can take comfort in the knowledge that in spite of our differences we share the same compassion.

There will no doubt be heated exchanges in the weeks and months ahead. At the end of the day we will remember the intensity of our debates and the passion that suffused them. It is my fondest hope that we will also recall that civility prevailed and that outside this Chamber men and women of every persuasion will proudly be able to say they profoundly disagreed but they were, all of them, men and women of peace and honour.

[*Translation*]

I also mentioned the word pride, and indeed I am proud to be standing here with you in this House, where we were sent by our fellow citizens.

Some hon. members: Hear, hear.

Mr. Bouchard: I also used the word confidence, and indeed I have the greatest confidence in the democratic and responsible resolution of the issues before us.

I was able to observe how compassionate and generous our fellow citizens from English Canada can be. Who would not have been moved by their expressions of sympathy? I realize this does not mean English Canada will be converted to Quebec's sovereignist option, any more than I will renege on my political commitments. On the contrary, these past few weeks during which I had time to think about these issues have strengthened my sovereignist position. However, I am confident that sovereignists and federalists can discuss their options with dignity, without impugning each other's motives.

In concluding, Mr. Speaker, I want to thank you for giving me, with the consent of the government and the other parties, these few minutes to address the House. However, after expressing these worthy sentiments, we must go back to the cut and thrust of parliamentary debate. In fact, I was a little worried earlier that the Prime Minister's kind words would have a disarming effect on me. I am aware that I will have to revert to a more robust approach in my first questions to the Prime Minister later on.

• (1415)

[*English*]

NEW MEMBER

The Speaker: I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer a certificate of the election of Mr. Mauril Bélanger, member for the electoral district of Ottawa—Vanier.

* * *

[*Translation*]

NEW MEMBER INTRODUCED

Mauril Bélanger, member for the electoral district of Ottawa—Vanier, introduced by the Right Hon. Jean Chrétien and the Hon. Herb Gray.

* * *

NEW MEMBER

The Speaker: My colleagues, I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer a certificate of the election and return of Mr. Denis Paradis, for the electoral district of Brome—Missisquoi.

* * *

NEW MEMBER INTRODUCED

Denis Paradis, member for the electoral district of Brome—Missisquoi, introduced by the Right Hon. Jean Chrétien and the Hon. Alphonso Gagliano.

* * *

• (1420)

NEW MEMBER

The Speaker: Dear colleagues, I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer a certificate of the election and return of Mrs. Lucienne Robillard, for the electoral district of Saint–Henri—Westmount.

* * *

NEW MEMBER INTRODUCED

Lucienne Robillard, member for the electoral district of Saint–Henri—Westmount, introduced by the Right Hon. Jean Chrétien and the Hon. André Ouellet.

The Speaker: It being 2.24 p.m., pursuant to Standing Order 30(5), the House will now proceed to Statements by Members, pursuant to Standing Order 31.

I would like to point out to the hon. members that we are going to take the regular statements by members, and then, we will move on to oral questions. We will take all the time we need, 45 minutes, and, in an hour from now, we will have completed question period. We will then proceed with the orders of the day and take a bit more time, if necessary, for our debate.

STATEMENTS BY MEMBERS

[*Translation*]

HON. LUCIEN BOUCHARD

Mr. Nick Discepola (Vaudreuil, Lib.): Mr. Speaker, I would like to greet Lucien Bouchard on his return. We are delighted to have him in our midst again, pleased to see that he has pulled through his terrible ordeal and is resuming his place in the House of Commons. The Leader of the Opposition knows only too well that nothing is certain in this life. And yet he maintains that the referendum should not be launched unless the sovereignist option is sure to win. This, he says, is in the interest of Quebecers.

It is indeed in the interest of the entire country that a referendum be held, and as soon as possible, not to see one side or the other win, but instead to learn the position of Quebecers and resolve the issue once and for all. That is democracy. Anything else is shameful manipulation. Quebecers deserve better than that after all.

For my part, I say yes to one clear question. I say yes to a strong Quebec, I say yes to a unified Canada.

* * *

QUEBEC FEDERATION OF LABOUR

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, I am still moved by the return of my leader and by his speech.

Yesterday, the Quebec Federation of Labour, which has some 450,000 members, adopted a manifesto and an action plan to mobilize workers in favour of Quebec's sovereignty. I had the honour of addressing the 1,600 shop stewards present at this special assembly.

The members of the Bloc Quebecois would like to pay tribute to Bob White, president of the Canadian Labour Congress, who spoke in favour of the democratic right of Quebecers to self–determination. He stressed that a yes in the referendum should be respected by the rest of Canada.

We would like to congratulate the Quebec Federation of Labour for its commitment at this turning point in the history of the Quebec nation.

S. O. 31

[*English*]

TAXATION

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, the Canadian Restaurant and Food Services Association has printed more than 10,000 neon yellow cards which make the important point that when taxes go up employment goes down.

The restaurant and food services industry employs more than 667,000 people in Canada. They know firsthand the devastating effect taxes can have on their businesses and jobs in Canada.

The last time the government made a tax grab with the GST the industry lost 46,000 jobs almost overnight. An Ernst & Young report concluded that two out of every three jobs lost were directly as a result of the new tax.

The restaurant and food services sector is a huge employer of students, recent immigrants and single mothers. It has been estimated that 30 per cent of those Canadians working today had their first experience in the workforce in food service. It is also an industry that depends on disposable income and is one of Canada's most labour intensive.

If taxes go up employment will go down. It is that simple. Taxes kill jobs.

* * *

GASOLINE PRICES

Mr. John Solomon (Regina—Lumsden, NDP): Mr. Speaker, on budget day Canadians will be preparing themselves for another tax increase on gasoline prices.

The Liberal government will take the responsibility of justifying these high taxes to Canadians. However consumers have already had to deal with many increases in gas prices when oil companies hiked the prices at the pumps for no reason at all. These increases are invisible taxes on consumers by the multinational oil companies and have not been justified.

The Liberal government not only condones this price gouging but encourages it. In a recent report the Bureau of Competition Policy has said that oil companies can charge whatever they want for gasoline.

Canadians need an energy pricing review commission with the power to investigate gas price increases and when unjustified roll them back. I challenge the Liberal government in the upcoming budget to get out of bed with the oil companies and give consumers a fair deal by immediately setting up an energy price review commission.

* * *

HEART MONTH

Ms. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, I remind members of the House that February is Heart Month.

Heart disease and stroke are the number one killers in Canada of both men and women and together are responsible for the loss of 75,000 Canadian lives each year. In fact 40 per cent of all deaths in the country are due to cardiovascular disease.

The Heart and Stroke Foundation of Canada tells us that the risk factors for heart disease include high blood pressure, high blood cholesterol, smoking and physical inactivity. The foundation strives to educate Canadians about these risk facts and plays an important role in the fight against heart disease.

During the month of February more than 100,000 volunteers will be canvassing in our communities to raise public awareness and funds for research and education.

Please join me in saluting the Heart and Stroke Foundation and its many volunteers for their excellent work. So, when they come knocking on your door, have a heart.

* * *

PORT OF HALIFAX

Mr. Geoff Regan (Halifax West, Lib.): Mr. Speaker, I am pleased today to bring good news from the port of Halifax. In 1994 revenues of the port of Halifax were up 4.7 per cent.

• (1430)

There is more good news. There was an increase of 23 per cent in container traffic in the fourth quarter of last year. Sixteen hundred vessels called at Halifax last year. That was a big increase. It included 39 cruise vessels bringing 38,000 tourists to Halifax, the home of this year's G–7 and was a 22 per cent rise over 1993.

The future is bright for the port of Halifax. Officials there predict a 15 per cent to 25 per cent increase in container business this year.

The port of Halifax is the key to economic recovery in this area. It provides 2,500 direct and 4,500 indirect jobs to Halifax.

I am sure that members of the House will join me in commending the port of Halifax on a very successful year.

FISHERIES

Mrs. Jean Payne (St. John's West, Lib.): Mr. Speaker, I rise in the House today to offer my firm support to the Minister of Fisheries and Oceans in his efforts to conserve Greenland halibut and turbot.

The European Union has launched a formal objection to the quota decision of the Northwest Atlantic Fisheries Organization. It was the European Union's use of this objection procedure in the late 1980s that led to the moratoria on flatfish and cod on the tail of the Grand Banks of Newfoundland.

Even as scientific findings showed evidence of stock decline, the Spanish ignored all warnings and actually increased their fishing efforts.

The NAFO decision is the result of a vote by the world's major fishing nations: Japan, Russia, Norway, Iceland, Cuba and Canada. Its findings are based on conservation, science and traditional shares.

It is irresponsible for the European Union to play by the rules only when the rules are in its own favour. We cannot allow further destruction of Canada's fisheries resources while communities such as those in my riding of St. John's West are suffering economic devastation in the name of conservation.

* * *

[*Translation*]

KINGSTON PRISON FOR WOMEN

Mr. Bernard St–Laurent (Manicouagan, BQ): Mr. Speaker, yesterday, the CBC's English network aired some deeply disturbing footage of the riot squad in action last April at the Kingston Prison for Women. The humiliation the six female inmates were subjected to at the hands of the male emergency response team raises some serious questions.

In his report yesterday, the correctional investigator denounced the use of excessive force against inmates. The same report completely contradicts the findings of the internal inquiry by correctional services, which condoned the acts of the emergency response team through its complacency, to the disgust of the Elizabeth Fry Society.

The Solicitor General must assure this House that the director at the prison for women who was in charge of the internal inquiry will be suspended immediately for having hidden the truth.

[*English*]

RAILWAYS

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, a strike or a lockout is looming for the nation's railways. The negotiating parties have had 13 months to reach a collective agreement on their own and they have failed.

If such a strike or lockout were to occur, the country's transportation network would grind to a halt within days. It would devastate shippers of coal, potash and newsprint, paralyse the auto industry and, as usual, leave western grain farmers footing the bill for somebody else's irresponsibility.

The cost of such a strike to our economy is just too high and the government knows this. That is why for the 14th time in the last 29 years we will have no choice but to suspend the rules of the House in order to pass emergency back to work legislation. If and when this happens it will be the second time in two years. I hope we have not already forgotten the Vancouver port strike experience.

My private member's bill, Bill C–262, offers a permanent solution to this chronic problem. Let us pass Bill C–262 so that we do not find ourselves in the same position again this year.

* * *

BANKS

Mr. Jag Bhaduria (Markham—Whitchurch—Stouffville, Ind. Lib.): Mr. Speaker, this morning four national banking institutions raised their lending rates in reaction to the Bank of Canada's rate hike yesterday to a one year high of 8.38 per cent.

Just as last week when Moody's Investors Service put Canada's AAA domestic bond rating on a credit watch, now our own institutions have shown a complete lack of understanding of our deficit problem. It is extremely shocking and saddening when our national institutions do not have the patience and presence of mind to wait for the budget.

Maybe the finance minister will slash the budget drastically to control the deficit. I fail to understand why the bogeyman of inflation created by the previous government is being resurrected once again.

• (1435)

With inflation presently running low, there is no need for higher interest rates. The increased rates will hamper job creation and hurt small businesses, as it will thousands of Canadians who have to renew their mortgages this year.

It is time for the Bank of Canada to initiate systems policies—

S. O. 31

TRUCK SAFETY

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, during a one day blitz in Toronto, 73 per cent of trucks pulled over by police forces were deemed unfit for the road and immediately taken out of service.

This appalling level of truck safety poses a serious threat to the lives of Canadians. I ask the Minister of Transport to urge his provincial colleagues to ensure high levels of regulation enforcement and, if necessary, higher fines on trucking companies to prevent loss of life and injury.

This problem exemplifies the importance of maintaining strong enforced regulations for the protection of all Canadians.

* * *

INCOME TAX

Mr. John Finlay (Oxford, Lib.): Mr. Speaker, on March 10, 1994 I brought to the attention of the Minister of Finance the report that 20 Canadian millionaires had paid less than $100 each in income tax in 1991.

I believe that the number has increased each year since. Each and every Canadian has to pay his or her fair share of taxes. How can we as members of Parliament tell our constituents that they must pay their income taxes when they see wealthy Canadians taking advantage of tax loopholes?

If we are to fight the deficit on all fronts, I hope the Minister of Finance will take the opportunity available to him to close tax loopholes for the rich. We have to let the people of Canada know that one does not receive special tax privileges because of personal wealth.

* * *

CITY OF MISSISSAUGA

Mrs. Carolyn Parrish (Mississauga West, Lib.): Mr. Speaker, I rise in the House today to proudly announce a benchmark achievement by the city of Mississauga, the ninth largest city in the country and the fastest growing at half a million in population.

Mississauga led the country in 1994 in issuing almost $1 billion worth of building permits for 4,400 new residential units and 2.2 million square feet of industrial commercial floor space.

Corporate head offices continue to find Mississauga an ideal place to locate because of the attractive tax and hydro rates and the proximity to Pearson International Airport. They include Sunbeam Corporation, Siemens Electric and Mary Kay Cosmetics.

The value of these permits represents a 37 per cent total increase over the previous year and a 30 per cent increase for the industrial commercial sector.

The prosperity and phenomenal growth in Mississauga is yet one more signal that Mississaugans and Canadians are confident in the Prime Minister and the Liberal government.

* * *

[*Translation*]

QUEBEC REFERENDUM

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, yesterday, Daniel Latouche, a professor of political science, set the record straight at a hearing of the Eastern Townships commission on the future of Quebec. He unequivocally stated that there are costs associated with remaining a province, especially in this era of globalization. They must also be discussed.

A no in the referendum would mean that Quebec would not gain distinct status, different from that of the other provinces. It would also mean that the rest of Canada would continue to ignore the distinct character of Quebecers, regardless of the arrangement proposed.

We must not forget that Pierre Elliot Trudeau promised renewed federalism in exchange for a no in the 1980 referendum. His government used the opportunity to quash the legitimate hopes of Quebecers. This is what the true cost of not opting for sovereignty is.

* * *

[*English*]

INCOME TAX

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, the government appears to have a hearing problem. While Canadians coast to coast are saying "no new taxes", the government chooses to hear "keep on spending".

That would explain the Liberal revenue minister's statement that the government will not listen to the anti–tax protests. "Such protests", he says, "will not change the government's position on the budget".

For a month I have been circulating an anti–tax petition. Judging from the heavy response, the tax revolt is just beginning to make itself heard. It took only a month to gather anti–tax petitions with 20,000 signatures, which I will be tabling today.

Twenty thousand more Canadians from Victoria to Halifax are joining in a revolt against a government that has yet to realize that it has a spending problem, not a revenue problem.

• (1440)

The battle over the budget is just beginning. In case the front benches have their hearing aids turned down, let me repeat the message loud and clear: no more taxes.

MINING

Mr. Peter Thalheimer (Timmins—Chapleau, Lib.): Mr. Speaker, on Monday of this week I had the occasion to be present for the opening of the 12th annual Mine Operators Conference, held in Timmins, Ontario in my riding.

Today I inform the House of the successful conclusion of the conference at Timmins. Mine managers, operators and technicians have presented papers, sold goods and services to each other and have increased the efficiency of mining today.

Over 350 delegates and 160 exhibits from all over Canada, the United States, Australia, Sweden, Finland and Pakistan were at the conference to trade ideas for the improvement of mining efficiency.

Mining is an important industry to Canadians. Last December the natural resource committee tabled a unanimous report calling on the government to take measures to help the mining industry and keep mining in Canada.

I would like to thank all participants at the conference and invite them back to northern Ontario to trade ideas and make Canada a better place for miners and the millions of Canadians and hundreds of communities that depend on mining.

ORAL QUESTION PERIOD

[*Translation*]

TRANSFER PAYMENTS

Some hon. members: Hear, hear.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, since the federal–provincial finance ministers' conference, we know that Ottawa will make drastic cuts in transfer payments to the provinces while deferring the impact of these cuts until next year. The federal government is trying to pass off as renewed federalism what will amount in fact to offloading its financial responsibilities.

My question is for the Prime Minister. Are we to understand that his government chose deliberately to defer the substantial cuts in transfer payments until after the Quebec referendum in order to hide from Quebecers, on the eve of the referendum, the cost of the federal government's financial withdrawal from education and health? In other words, that the federal government is holding back but will hit as soon as the referendum is over?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I wish to inform the Leader of the Opposition that, when we formed the government last year, we agreed with theprovinces that we would not make cuts without giving them prior notice. Under the previous government, the minister would get up on the day of the budget and announce the cuts to come into effect the following day. We said and, furthermore we promised in the red book that this brutal approach would not be repeated.

Therefore, if the Minister of Finance must cut transfers to the provinces, we will keep our promise and give the provinces fair notice before taking action.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, will the Prime Minister not admit that the block funding formula contemplated by his government, that is, consolidating all federal contributions to health and education programs into a single payment, is not a transfer of jurisdiction but a transfer of costs to the provinces?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the Minister of Finance must assume his responsibilities, and we intend to make substantial cuts in all public administration sectors. It is not a matter of punishing anyone. On the contrary, we want to treat everyone equally. In any case, we do not know if there will be a referendum in 1995. I hope that the Leader of the Opposition can come to an agreement with Mr. Parizeau. After the date of the referendum is announced, you will know whether or not we acted with the referendum in mind.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, how can the Prime Minister claim to offer flexible federalism when, in fact, while continuing to withdraw financial support for health and education programs, he tries to put the provinces in a straitjacket by forcing them to apply national standards to services that the federal government will stop funding?

[*English*]

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, when we passed the national health legislation establishing medicare for all Canadians, it was approved by everybody. Everybody agreed.

• (1445)

We do not have control over its administration. It is a provincial matter. When the programs were established we said we would help the provinces for a number of years but that once the programs were well established we might withdraw. That was the policy discussed at that time.

As far as Canada's national health system is concerned, it is very important that we keep it because Canada has the best system. In fact a few minutes ago the hon. Leader of the Opposition referred to the very good health system that Canada has.

[*Translation*]

OVERLAP AND DUPLICATION

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, things are getting clearer and clearer. Last week, in this House, the Prime Minister presented his vision of a federal Canada, for the first time.

He said, in talking about the elimination of duplication, and I quote: "Duplication comes from Quebec deciding to have its own ministry of revenue collect personal income tax, unlike the other provinces... Duplication often comes from the other side".

My question is for the Prime Minister. Are we to understand from the revealing example he chose to give us that, in his vision of federalism, Quebec would be just like the other provinces and that, for example, he wants to take over from Quebec in collecting personal income tax?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I would like to point out to the hon. member that, on the contrary, we gave the province the responsibility of collecting the federal sales tax, the GST. Why could the provincial government not do the same for the federal government with regard to income tax?

As regards income tax, in the case of Ontario, only one line has been added to the tax return, and there is no provincial tax inspector for Ontario taxpayers. If Quebec wants to continue to have two systems, that is fine with me. I am making them an offer to help them save money. The minister responsible for harmonizing programs in Canada is successfully reaching agreements with the provinces in many areas. The only province that is not interested in discussing the elimination of duplication is the province of Quebec.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, does the Prime Minister not agree that his so called plan for decentralization to the provinces is not eliminating any duplication, since the federal government never intended withdrawing from areas of provincial jurisdiction, and, in each province, there will always be two departments of health and two departments of human resources all paid for by taxpayers' money?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we are making offers to the provinces right now. I was speaking with the Premier of British Columbia a few minutes ago. We were discussing the possibility of harmonizing certain existing programs.

The other provinces are co–operating in trying to eliminate duplication. What is unfortunate is that only Quebec systematically wants to maintain duplication.

[*English*]

THE BUDGET

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, yesterday the Minister of Finance attacked Reform's plan to balance the budget in three years.

The minister made unfounded comments about its impacts in a futile attempt to divert public attention away from the shortcomings of his own budget targets. Under the Liberal fiscal plan, over $100 billion will be added to the federal debt. Interest payments will amount to about one–third of the federal budget by the end of this Parliament.

Will the Prime Minister explain to seniors and to other Canadians what paying $50 billion a year in interest will do to the social programs on which they depend?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I am very pleased the leader of the third party mentioned old age pensioners. His document said he wanted to cut $3 billion from that program. Reform has to realize that new people come on the payroll every year because other people reach the age of 65. The leader of the Reform Party cannot stop that.

• (1450)

It costs almost $1 billion more every year. If he wants to cut $3 billion from what we have today, he will have to exclude the people who come on the payroll in the next two years. He will have to pay them another $2 billion or cut another $2 billion. The hon. member made a little mistake in one day of $2 billion.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the Prime Minister avoids the hard question of how the government is going to live paying $50 billion a year in interest. At the end of the day under the federal Liberal plan, the deficit will still be $25 billion a year, the debt will be over $600 billion and the government will have even less money than it has today to fund social programs.

Why does the government not screw up its courage and simply tell Canadians that the real threat to social programs is its inability to control the deficit and the debt?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, it is the first time in a long time, and I have a lot of witnesses on this side of the House, that a government has presented a budget, as we did last February, and has met every target it set.

It is very easy to make promises you know you cannot keep. When I saw the budget prepared by the Reform Party this week, somebody said that it was back to the future. It has nothing to do with the reality of today. On the old age pension program alone, the Reform Party made a mistake of $2 billion.

We will meet our target. We will be at 3 per cent of GDP next year. It is the first time a government in Canada has met its target and we will meet it. Do not worry about it.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the government has a red book that is symbolic of the red ink that flows from its policies.

Last fall the finance minister presented a grey book which is symbolic of these grey compromises between spending cuts and tax increases. Now it is abundantly clear that the government lacks what it takes to balance a budget, just like Mulroney and Wilson in 1984.

Will the Prime Minister confirm that the colour scheme for the budget that his minister will deliver next Monday will be pale yellow?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the hon. member only has to wait until Monday. I hope he will support all the cuts we will be proposing.

I would like to have his commitment right now that his party will support all the cuts we will make. It would be easy because they would turn around and say: "You should not do this or that". It is going to be a tough budget. I hope Reform Party members will be able to do in this House what they love to say outside it.

* * *

[*Translation*]

FEDERAL PUBLIC SERVICE

Mr. René Laurin (Joliette, BQ): Mr. Speaker, my question is for the Prime Minister.

The government plans to cut 45,000 employees from the federal public service over three years and, to this end, intends to move unilaterally to introduce legislation eliminating job security for public servants.

Can the minister responsible for the public service explain why his government has chosen to push aside the proposals made by the largest union representing nearly 70 per cent of federal public servants, without having first exhausted every possible alternative through free collective bargaining?

• (1455)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the President of the Treasury Board has done excellent work on this issue. For weeks now, there have been discussions with every union affected. Sixteen unions out of 17 have found these proposals reasonable. And even in the union which opposes them, we are told opinion is greatly divided. People understand very well that what the President of the Treasury Board has offered as a solution is totally reasonable and logical, given the difficult circumstances facing the government at this time.

Mr. René Laurin (Joliette, BQ): Mr. Speaker, what guarantee can the minister give people that laying off thousands of public servants will not as in the past give rise to a substantial increase in contracting–out which does not necessarily allow for savings but which is highly conducive to government patronage?

[*English*]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, it gives us no joy to be downsizing the public service. However, as a result of the programs and services that we must cut in order to meet our deficit reduction targets, there are people we will have to ask to leave.

We will give them every opportunity to find other jobs within the public service before they are put on layoff status. Certainly in terms of contracting out, I can assure the hon. member that it and temporary help and other means will be explored as a way of keeping our employees who want to stay before we allow for additional contracting out and other provisions.

We value the public service. We value the kind of service that is provided to Canadians by the people we employ.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, if yesterday's announcement of public service layoffs was designed to quell fears and rumours, it was a dismal failure. Today the government has rubbed salt in the wounds of the public service by increasing the size of the cabinet just one day after announcing 45,000 job cuts in the public service.

The Minister responsible for Public Service Renewal put together a top level team of managers to tell him where to make cuts in the public service. Did he also put together a team of frontline workers to tell him where to make appropriate cuts in management?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, it is clear that members of the third party speak from both sides of their mouths. On the one hand they ask us to reduce the expenditures of government; on the other hand they complain when we do exactly that by reducing the size of the public service.

What we have done with the public service is in fact the best treatment that could be given. We have introduced the possibility for them to have either early retirement or cash outs. We have made it much easier for civil servants who cannot be employed any more to leave the public service in a humane way.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, obviously we have a problem with a growing cabinet in a high

level of top heavy government at a time when it is making cuts at the bottom and in the front lines.

For instance 20 per cent of all public servants, that is 48,000 people, make more than $50,000 a year. There are 48,000 managers looking over the shoulders of the people who actually deliver the services.

Will the government tell us the proportion of management versus frontline cutbacks that we can see in this upcoming budget so that we can make sure that we are hammering the management, not just gutting the frontline services to Canadians?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, the one addition to this side of the House is worth all of the ones and more on that side of the House.

With respect to the downsizing we are going to be carefully monitoring the situation at the different levels. If there is any disproportionate amount at any given level, then certainly we will take corrective action. We are focusing on programs and services, not on people. As a consequence, people at all levels will be part of the downsizing.

* * *

[*Translation*]

CANADIAN UNITY

Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ): Mr. Speaker, my question is for the Minister of Intergovernmental Affairs.

The Privy Council published a document, which the *Financial Post* obtained, asking all businesses to use symbols of Canadian unity in their advertisements. The document recommends several guidelines that businesses can follow to defend the federal regime.

• (1500)

Is it to be understood that this government, which is subsidizing the Council for Canadian Unity in order to obtain a list of those who are taking part in the regional commissions on sovereignty, is now enlisting businesses, with the help of the Privy Council, to lead a campaign of fear reminiscent of the one Quebecers were subjected to in 1980?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, I do not see how the opposition can criticize letting social groups express themselves freely, when they have wasted $5 million of their and our taxpayers' money on regional commissions whose only aim is to disseminate sovereignty propaganda.

Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ): Mr. Speaker, I was talking about businesses that have contracts with the government. The $5 million is five to six times less than what the Spicer circus cost us two to three years ago.

What assurances can the minister give this House that the government is not compiling a register of businesses co–operating in this effort, for some future consideration?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, once again, I find the opposition's questions very out of place. We are simply helping social and business groups in Quebec who wish to get information on the costs of separation. We are not intimidating banks and financial institutions which are not on our side.

* * *

[*English*]

RAILWAYS

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, my question is for the Minister of Human Resources.

The country is ripe for a massive shut down in the railways, jeopardizing significant sectors of the economy. I notice he is turning to the hon. minister. We are not quite sure who is in charge there right now.

Will the minister assure us that the government will not present legislation to this House that will prevent the use of replacement workers during a labour strike and that there will be no prohibition of management employees, regardless of where they are located, replacing striking workers?

[*Translation*]

Hon. Lucienne Robillard (Minister of Labour, Lib.) Mr. Speaker, concerning the problems at CN, CP and VIA, the conciliator's report was sent to the parties this morning. We earnestly hope they will sit down and discuss their differences. We truly hope that the parties themselves will find a solution. After all, they know the industry.

As for the issue of replacement workers, we are looking into the situation and will report as soon as possible.

[*English*]

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, I am very pleased the initiation of the hon. minister to this House has been in answer to a question, but it was no answer, it was another approach.

Since the 1950s the federal government used back to work legislation as the last resort in transportation related labour disputes. Each time it had significant costs to the Canadian economy as a whole.

When will the ministry acknowledge that neither back to work legislation nor anti–scab legislation adequately protects the

economy from bitter transportation strikes and when will she seek effective impartial alternatives like binding final arbitration as a position?

• (1505)

[*Translation*]

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, we will give specific answers to specific questions, and it is definitely premature to consider back to work legislation at this time.

* * *

REGIONAL DEVELOPMENT

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Mr. Speaker, my question is for the Prime Minister.

Last week in the House, the Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec confirmed that his strategy for regional development would be based on providing assistance to small business. After cutting the budget of the Federal Office of Regional Development—Quebec, the minister indicated that the new approach to helping small business would consist in providing consulting services.

Since the FORD–Q no longer has a budget for providing financial assistance to small business, will the Prime Minister admit that the Department of Industry, in other words, the minister responsible for regional economic development in Ontario, will now be responsible for the federal strategy for regional development in Quebec?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the minister responsible for regional development in Quebec is the Minister of Finance. Obviously, the Minister of Finance has a very good working relationship with the Minister of Industry.

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Mr. Speaker, would the Prime Minister agree that, as far as regional development is concerned, the FORD–Q, which no longer has a budget, has become an empty shell and will only be used to promote the visibility of the federal government in the regions and to set national standards for regional development, while ignoring the priorities of the Quebec government in this respect?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, throughout Quebec, people are very pleased to note the presence of federal agencies that are there to help them.

* * *

[*English*]

MEMBERS OF PARLIAMENT PENSIONS

Mr. Ian Murray (Lanark—Carleton, Lib.): Mr. Speaker, my question is for the President of the Treasury Board.

The minister said he would let us know on or before budget day what he was doing about reforming the MPs' pension plan. The budget is next Monday. Can the minister tell the House if he has made any progress toward honouring his commitment to reform MPs' pensions?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, mighty soon has arrived. The government has agreed to a package of reforms on MP pension plans and the bill will be introduced by the end of April as an amendment to the Members of Parliament Retiring Allowances Act. Further information on the details will be available for members of the House later this afternoon.

The government will live up to its red book commitments. It will end double dipping for both MPs and members of the other house. It will put a minimum age in place on the basis of the Lapointe commission recommendation of age 55. It will provide for members to have a one–time only opting out—

Some hon. members: Hear, hear.

The Speaker: I would quit while I was ahead if I were you.

* * *

CORRECTIONS

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, last year I was asked by constituents to investigate whether male prison guards stripped female prisoners during the recent misguided and ill conceived raid in the prison for women. I was assured at that time that no male prison guard took part in the stripping of female prisoners and that only female officers were present.

My question is for the Solicitor General. Now that a videotape clearly shows that male officers were present, will this minister please tell me why his department officials lied to a member of Parliament?

• (1510)

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, as I have already informed the House, we have two contradictory reports, one from the correctional service internal investigation and one from the correctional investigator.

Because they differ in facts and interpretation, we are convening a further independent inquiry. That will throw the light we are seeking on this difficult matter.

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, I was assured at that time there were no male guards involved in that.

The minister stated that his government would bring honesty and integrity back to the dealings between government and Canadians.

How can Canadians trust that the results of any investigation by this minister's department will not be more lies instead of what Canadians expect?

The Speaker: My colleagues, many times the issues that we are very much seized with in this House cause us to use words a little stronger than we might ordinarily use.

I wonder if I could prevail on the hon. member for Wild Rose to withdraw the word "lies" and perhaps use another one, to rephrase his question.

Mr. Thompson: Mr. Speaker, I will do my best but that is really tough because I do not know what else to call these things.

Some hon. members: Oh, oh.

The Speaker: As tough as it is going to be, would the member please withdraw the word "lies".

Mr. Thompson: Yes, Mr. Speaker, I withdraw the word "lies".

Will the minister assure this House that in the future when the officials from his department are asked questions by members of Parliament we can expect to get the facts and not a bunch of fiction?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I will seek further information about who told what to the hon. member.

I hope that in future he will also refrain from using fiction in his questions.

* * *

[*Translation*]

THE ENVIRONMENT

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, my question is for the Minister of the Environment.

Last Monday's federal–provincial meeting on greenhouse gases ended in a resounding failure. Despite the commitments it made at the Rio summit in 1992 and despite the electoral promises in the red book, Canada is stating openly that it cannot do its part in the worldwide effort to reduce greenhouse gases.

While Quebec has already achieved its objectives of stabilizing greenhouse gas emissions, how does the minister justify Canada's preparing to default on its international commitments because of a lack of political will on the part of the federal government and of the rest of Canada?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, I repeat what I said last week. Quebec has done exactly what the other provinces have done. Through its minister of the environment, Quebec promised, at our meeting in Toronto, that it would have a Cabinet meeting in order to get an action plan to us by March.

I have not seen this action plan, because none has been forthcoming. I am waiting for Quebec to let us know its stabilization objectives. The government of Canada has its own areas of jurisdiction, and I can assure you that we will attain and exceed the objectives of our action plan.

Here is where we have problems. There are a number of jurisdictions we cannot encroach on. We cannot force a provincial government, like the government of Alberta, for example, to do more than it wants to.

• (1515)

We are, however, doing our part and are patiently awaiting Quebec's action plan, which the government has not yet disclosed, and Cabinet not yet approved, according to the press release issued this week by Mr. Brassard.

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, I would remind the Minister of the Environment that Quebec has done its homework. So you do yours.

Some hon. members: Oh, oh.

The Speaker: I would ask the hon. member to always address the Chair.

Mrs. Guay: Mr. Speaker, my question is for the Minister of the Environment. Rather than give in to pressure from the oil industry lobby, would she perhaps agree to follow Quebec's example and ensure that the rest of Canada honours its international obligations in fighting the greenhouse effect?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the hon. member may not have received the Parti Quebecois' press release. I will read it to her: "Issued in Quebec City at 2.42 p.m. on February 20, Quebec's plan of action will soon be submitted to Cabinet for approval". It has not been approved yet, and we are impatiently waiting for it, because it is not only a question of stabilization, but much more.

* * *

[*English*]

IMMIGRATION

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, HIV has taken a recent jump in the Ottawa area mostly in women, mostly in new arrivals to Canada. Does the health minister think it would make any sense to check immigrants for HIV?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, as we have mentioned in the House of Commons in the last number of days, all immigrants to Canada undergo the two checks of security and health in addition to the point system.

In the majority of cases where individuals are found to be HIV positive they are refused entry into Canada.

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, HIV is an invisible disease; it cannot be seen. We screen for TB. We screen for hepatitis. We even screen for parasites. Why would we not screen for AIDS?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, the question of health checks has probably not been reviewed in the last 30–odd years.

At the end of last year the government said that one of the more important reviews immigration would be undertaking was an update and review of how health checks were done and for which diseases checks ought to be done automatically.

However, with all respect to the member of Parliament, I think we need to do the review in a sensible and sensitive way. I do not think anybody should rush irresponsibly into this subject matter.

It is being undertaken. It is being done seriously. It is being done the right way, rather than simply playing politics and exploiting diseases for particular gains.

* * *

FISHERIES

Mr. Ted McWhinney (Vancouver Quadra, Lib.): Mr. Speaker, my question is for the minister of fisheries.

The European Union is formally objecting to the Northwest Atlantic Fisheries Organization's imposition of quotas for turbot fishing in the North Atlantic. It may encourage European Union member countries to ignore the NAFO limits.

Some hon. members: Oh, oh.

Mr. McWhinney: Members can listen because it affects the west coast too.

Last year, when a similar problem arose on the Pacific coast, the minister took action against U.S. salmon fishing vessels and induced the United States to return to the negotiating table.

Will the minister consider perhaps exercising similar friendly persuasion on the Atlantic coast?

• (1520)

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I thank the member for his question. I think the member's expertise in the area of international law is acknowledged by everyone in the House.

The member is correct that last year we had some difficulties on both the west coast with respect to salmon and on the east coast with respect to Icelandic scallop. Canada took direct action and action by way of negotiations to try to resolve our differences.

This year Canada's jurisdictional rights over Icelandic scallop is acknowledged by the United States, not challenged. This year we have completed the negotiation of a successful agreement governing the transit of Yukon salmon as a consequence of aggressive action last year. This year we are back at the table negotiating on Pacific salmon.

We much prefer to talk. We much prefer to negotiate. We will go to the nth degree to settle our differences by agreement. However we warn all those who are listening that we will not sit and talk while the last fish is being caught.

* * *

[*Translation*]

FIREARMS REGISTRATION

Mrs. Pierrette Venne (Saint–Hubert, BQ): Mr. Speaker, the Minister of Justice stated on Monday that he was certain the legislation respecting firearms registration could be enforced in aboriginal territories just like everywhere else in Canada.

Since even Statistics Canada census takers claim they cannot carry out their work in aboriginal territory, how can the minister maintain that it will be so easy to register all firearms in Canada?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, we have been engaged from the outset in discussions with the aboriginal leadership and indeed the discussions continue.

I have every confidence the system of registration of firearms that will be considered and passed by the House will apply and be effective across the country in enhancing community safety in all communities, including the aboriginal communities.

* * *

LAND CLAIMS

Mr. John Duncan (North Island—Powell River, Ref.): Mr. Speaker, based on leaked information surrounding the Nishga land claim in northwest B.C., which includes a settlement offer of $125 million and 1,900 square kilometres of land, I understand the negotiations also include a federal offer for a treaty protected commercial fishery. This would provide a government guaranteed industry forever as opposed to a commercial industry.

Could the minister confirm that no commercial fishery will be constitutionally entrenched under section 35 of the Constitution Act, 1982?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, the Nishga are probably the most patient first nation in Canada.

In 1903 they started their claim, could not get funding and did it with their own money. They won their case in 1973. They have been waiting 22 years for a settlement. Everything on the table is being negotiated. Nothing is being taken off the table because it might cause the hon. member some discomfort.

I think his time would be better spent if he got behind the Nishga who are in the constituency of one of the Reform critics and help them get through this very difficult time.

* * *

MONETARY POLICY

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

It is clear the government is prepared to break collective agreements with public servants and to block transfers to undermine social and health programs in the country. It is clear that we could get rid of a large number of civil servants and cut social programs and known governmental organizations but a 1 per cent to 2 per cent increase in the interest rate would wipe out any of those savings.

What is the Deputy Prime Minister's government prepared to do to finally address monetary policy and have the Bank of Canada really focus on keeping interest rates under control and below what they are now?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, we intend to do that on Monday.

* * *

PEARSON INTERNATIONAL AIRPORT

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.): Mr. Speaker, my question is for the Solicitor General.

Scooping is the practice of unlicensed private drivers stealing business from hundreds of taxi cab and limousine drivers who are legally licensed to operate from Pearson International Airport.

• (1525)

Will the Solicitor General take measures to control this theft of an estimated $6.5 million in business and put an end to these airport pirates?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, this difficult situation involves a matter of legal interpretation. I understand that the Minister of Justice, the Minister of Transport and their officials are working to find a solution. I hope it will be developed before too long.

I would be happy to work with them in arriving at this solution because I know how much distress is being caused by the situation outlined by my hon. friend.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, I would like to ask my colleague, the government House leader, to indicate which legislation will be considered in the next few days.

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I am pleased to answer the question today because, as the House knows, our only business tomorrow will be to hear the President of the United States address a joint meeting of both Houses in this Chamber at three o'clock in the afternoon.

I might say also that the debate today will be on third reading of Bill C–37, the Young Offenders Act amendments. I have already said what we are going to be doing tomorrow.

On Friday the business will be second reading of Bill C–69, the electoral boundaries bill; followed if necessary by Bill C–37; followed by resumption of second reading debate of Bill C–69, the firearms bill.

On Monday morning of next week, the House will resume wherever it left off on Friday. However, as we already know, at 4.30 p.m. the Minister of Finance will make the annual budget presentation.

On Tuesday and Wednesday of next week the House will continue the budget debate.

On Thursday and Friday of next week the House will consider second reading of a bill respecting borrowing authority.

* * *

POINTS OF ORDER

GUN CONTROL

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, on Thursday of last week the House will recall that I rose on a question of privilege to request that the House allow for additional printing of Bill C–68, the firearms legislation, again called for debate on Friday of this week.

I was told at that time that on Tuesday of this week a decision would be reached concerning the additional printing of copies of Bill C–68 for members of Parliament who require the bill to properly inform their constituents.

I have been informed informally that a decision has been reached. I have been told informally that decision means members of Parliament can have a measly 10 extra copies of the bill.

I would like to know if the House or a member of the government could confirm that in fact that decision has been reached and, if indeed the decision means 10 copies, I would like the opportunity to protest the decision to the House.

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, in my capacity as spokesperson for the Board of Internal Economy I wish to inform members of the House that the board has taken a decision to provide—I know it is a limited quantity—10 copies of the bill kit to all members of Parliament.

I must as well inform the House that bill kits are worth approximately $20 each. Even that small quantity, as the House appreciates, results in a considerable expenditure that could range in the area of $400 per member of Parliament. Therefore it is a very large expenditure for the House.

• (1530)

Finally, it is my understanding that the Library of Parliament traditionally publishes notes. These notes are available to members of Parliament. They are referred to as bill summaries, and when the summaries are prepared they can be photocopied by members. That is not expensive and they can be presented to all and sundry.

Mr. Taylor: Mr. Speaker, on that confirmation I wish to lodge a protest on behalf of many members of the House.

Nothing could be more important to the public than the opportunity to read the words that are contained in a bill before the House. I am not asking for the bill kits. I am asking for the opportunity to go to the printing office of the House of Commons to have a number of copies printed. This would not be the $22 that the board has determined this would cost.

It is imperative that all Canadians have access to the bills of the House. As a member of Parliament, I would like to supply my constituents with a bill presented in this Chamber.

Mr. Boudria: Very briefly, Mr. Speaker, I should have mentioned that members can order extra copies through their operational budgets. I recognize this has limitations because it involves expenditures for each member of Parliament.

The Acting Speaker (Mr. Kilger): I think the matter is quite clear to all members of the House.

I thank the hon. government whip for responding and I thank the hon. member for The Battlefords—Meadow Lake for bringing the issue back to the House following his original intervention some days ago.

At this point I would indicate to the House that if the member for The Battlefords—Meadow Lake wishes to choose another route to continue to raise this issue, I am sure as a well experienced parliamentarian he will find that mechanism and that route. For the time being the matter is deemed closed.

ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

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

* * *

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to table the 62nd report of the Standing Committee on Procedure and House Affairs in respect of the order of reference dated November 29, 1994 regarding the furniture, supplies and equipment in each hon. member's constituency office and House of Commons office.

[*English*]

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to present the 63rd report of the Standing Committee on Procedure and House Affairs regarding the membership of committees.

This report is in part consequent on the admission of the new members of the House of Commons today.

If the House gives its consent I intend to move concurrence in the 63rd report later this day.

* * *

CRIMINAL CODE

Mr. Tom Wappel (Scarborough West, Lib.) moved for leave to introduce Bill C–307, an act to amend the Criminal Code and the Copyright Act (profit from authorship respecting a crime).

• (1535)

He said: Mr. Speaker, my bill would amend the Criminal Code and the Copyright Act to prohibit a criminal from profiting by selling, authorizing or authoring the story of a crime.

If a person is convicted of an indictable offence under the Criminal Code, any moneys he or she may have made or may make in the future from the creation of a work based on the

crime would be deemed proceeds of crime subject to seizure by the crown.

Included would be moneys paid to the convicted person for the authorship of books, articles, screen plays, recordings, et cetera. Also covered would be moneys paid for the criminal's contribution to the creation of such a work, for example, getting paid to tell a story to a news program or the joint authorship of a book.

The bill further amends the Copyright Act to provide that the copyright in any work principally based on the crime where the work is created, prepared or published by or in collaboration with the convicted person becomes the property of the crown.

In countries that have signed the Berne convention on copyright, Canada could enforce its copyright ownership of the work, including preventing the sale and other distribution of the work and applying to seize any profits, the principle being a criminal should not receive a dime for committing a crime.

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

* * *

[*Translation*]

ADM AGRI–INDUSTRIES LTD. OPERATIONS ACT

Mr. Martin Cauchon (Outremont, Lib.) moved for leave to introduce Bill C–308, an act to provide the resumption of production activities at ADM Agri–Industries Ltd.

He said: Mr. Speaker, I rise today to introduce a bill entitled "an act to provide the resumption of production activities at ADM Agri–Industries Ltd". The objective of this bill is to resolve the labour conflict between ADM, formerly Ogilvie Flour Mills Ltd., and the national union of employees of Ogilvie Flour Mills Ltd.

The company and the union are presently engaged in bargaining to renew the collective agreement which expired on January 31, 1992 and applies to some 150 employees of the milling industry. Realizing that no agreement could be reached with the help of the arbitrator appointed by the Minister of Human Resources Development, the parties faced a strike or lockout.

Union members began the strike on June 6, 1994. A federal mediator met with the parties on several occasions to help them but, unfortunately, little progress was made. During that time, the company continued operating using replacement workers to carry out the work of bargaining unit members.

In tabling this bill today, I would like to put an end to this dispute and conflict.

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

[*English*]

Mr. Speaker (Lethbridge): Mr. Speaker, a point of order. I was going to introduce a private member's bill on behalf of the hon. member for Red Deer. I would like to proceed with it if I could.

The Acting Speaker (Mr. Kilger): I would ask then for unanimous consent for the member for Lethbridge to introduce the bill on behalf of the member for Red Deer.

Some hon. members: Agreed.

* * *

ACCESS TO INFORMATION ACT

Mr. Ray Speaker (for Mr. Thompson) moved for leave to introduce Bill C–309, an act to amend the Access to Information Act (disclosure of results of public opinion polls).

He said: Mr. Speaker, I appreciate the opportunity to introduce the bill on behalf of the member for Red Deer. This bill, an act to amend the Access to Information Act, which calls for the disclosure of results of public opinion polls, is a very important bill. It is important because it will demonstrate the commitment of Parliament to open government based on principles of accountability and transparency.

● (1540)

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

Mr. Milliken: Mr. Speaker, I rise on a point of order. I cannot find the bill on the Notice Paper. Has notice of introduction of this bill been given?

The Acting Speaker (Mr. Kilger): I have received information from the Table that it might be Motion No. 28.

* * *

[*Translation*]

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, with the unanimous consent of the House, I wish to put several motions today.

[*English*]

Mr. Speaker, if the House gives its consent, I move that the 63rd report of the Standing Committee on Procedure and House Affairs, presented to the House earlier this day, be concurred in.

(Motion agreed to.)

BILL C–69

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I move, with the unanimous consent of the House:

That, notwithstanding the provisions of Standing Order 68(7)(a), when the order of the day is called for consideration of the second reading of Bill C–69, an act to provide for the establishment of the Electoral Boundaries Commissions and the readjustment of the electoral boundaries, a representative of each party or group in the House may make a statement of not more than 20 minutes in relation thereto before the question is put, provided that when the question is put it shall be deemed to have been carried on division.

(Motion agreed to.)

* * *

FOREIGN AFFAIRS AND INTERNATIONAL TRADE

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I move, with the unanimous consent of the House:

[*Translation*]

That the Standing Committee on Foreign Affairs and International Trade be authorized to travel to Washington, D.C., from March 15 to 17, 1995, for the purpose of meeting officials from international financial institutions and other appropriate individuals as part of the Committee's examination of the upcoming Halifax G–7 Summit Agenda and, in particular, reforms to international financial institutions, and that the necessary staff do accompany the Committee.

(Motion agreed to.)

* * *

[*English*]

PRIVATE MEMBERS' BUSINESS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, there is a slight difficulty on the Order Paper for Private Members' Business since tomorrow is not a normal sitting day and there will be no private members' hour.

The hon. member for St. Albert has graciously agreed to allow his item, No. 2 on today's Order Paper, to be dropped to the bottom of the order of precedence. Therefore, the private members' hour will proceed as usual today and on Friday, No. 3 on today's Order Paper, in the name of the hon. member for Skeena, would be the item for discussion in private members' hour.

I would like to thank the hon. member for St. Albert for agreeing to do this. It is very kind of him. I think there would be consent in the House to allow that item to be dropped to the bottom in accordance with his wishes and to preserve the order of the other private members' hours for the next couple of weeks.

The Acting Speaker (Mr. Kilger): Is it agreed?

Some hon. members: Agreed.

(Motion agreed to.)

* * *

• (1545)

[*Translation*]

PETITIONS

EUTHANASIA

Mr. Réginald Bélair (Cochrane—Superior, Lib.): Mr. Speaker, on behalf of a group of fellow citizens, I want to table a petition regarding euthanasia. The petitioners would like Parliament to ask Canadian doctors to continue saving lives instead of ending them.

They would also like Parliament to implement an act prohibiting assisted suicide in Canada. In addition, they ask that this legislation not be amended to make active or passive euthanasia legal.

[*English*]

HUMAN RIGHTS

Mr. George S. Rideout (Moncton, Lib.): Mr. Speaker, I have a number of petitions. The first is on behalf of the Minister of Natural Resources, a petition from Edmonton calling upon Parliament to amend the Canadian Human Rights Act to protect individuals from discrimination based on sexual orientation.

ASSISTED SUICIDE

Mr. George S. Rideout (Moncton, Lib.): Mr. Speaker, from my own riding I have a petition in which the petitioners pray that Parliament ensure that the provisions in the Criminal Code prohibiting assisted suicide be enforced vigorously and that no change be made in the law.

HUMAN RIGHTS

Mr. George S. Rideout (Moncton, Lib.): Mr. Speaker, another petition from my riding requests that Parliament not amend the human rights code dealing with sexual orientation.

ASSISTED SUICIDE

Mr. George S. Rideout (Moncton, Lib.): Mr. Speaker, another petition concerns changing the Criminal Code to prohibit assisted suicides. The petitioners are opposed to that.

SEX OFFENDERS

Mr. George S. Rideout (Moncton, Lib.): Mr. Speaker, I have a petition making the safety of our children a priority. The

petitioners request that changes be made to the charter of rights to enable residents to be notified when repeat sex offenders are released into the community.

JUSTICE

Ms. Colleen Beaumier (Brampton, Lib.): Mr. Speaker, I wish to table a petition with over 1,000 signatures calling on the government to introduce legislation that will ensure that individuals cannot use the intoxication defence to avoid prosecution for the commission of a crime.

My constituents are sending the message loud and clear. It is time for a change in the law. I wholly agree with my constituents.

NATIONAL HIGHWAYS

Ms. Marlene Catterall (Ottawa West, Lib.): Mr. Speaker, I have a petition signed by residents of Ottawa, Nepean, Gloucester and Bristol, Quebec reminding the House that 38 per cent of the national highway system has fallen below accepted standards. Mexico and the United States are upgrading their national highway systems. The national highway policy study identified job creation, economic development, national unity, saving lives, avoiding injuries, lower congestion, lower costs and better international competitiveness as benefits of the national highway program.

They call upon Parliament to urge the government to support all measures that will make the national highway system upgrading possible.

[*Translation*]

INTOXICATION AS A DEFENCE IN RAPE CASES

Mr. Dan McTeague (Ontario, Lib.): Mr. Speaker, today I have the honour of tabling in the House two petitions asking the government to look into intoxication as a defence in rape cases.

[*English*]

The petitioners representing the areas of Pickering, Ajax and Whitby call upon Parliament to amend the Criminal Code to ensure the excuse of extreme intoxication is never again used.

I support this petition.

YOUNG OFFENDERS

Mr. Tom Wappel (Scarborough West, Lib.): Mr. Speaker, I have three petitions. The first is from the Toronto area and calls on Parliament to amend the Criminal Code of Canada and the Young Offenders Act to provide for heavier penalties for those convicted of violent crime, specifically young offenders.

I am glad to note that our government is doing something about that.

HUMAN RIGHTS

Mr. Tom Wappel (Scarborough West, Lib.): Mr. Speaker, the second petition prays and requests that Parliament not amend the Human Rights Act or the Charter of Rights and Freedoms in any way that would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the Human Rights Act to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

This is signed by quite a number of people from in and around my riding in Scarborough.

ASSISTED SUICIDE

Mr. Tom Wappel (Scarborough West, Lib.): Mr. Speaker, the final petition is also from in and around my riding in Scarborough, praying that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law that would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

It goes without saying I agree with all three petitions.

● (1550)

GOVERNMENT SPENDING

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, pursuant to Standing Order 36, it is my duty and honour to rise in the House to present a petition duly certified by the Clerk of Petitions on behalf of 171 constituents of Saanich—Gulf Islands, specifically North and South Pender Islands.

The petitioners humbly pray and request that Parliament reduce government spending instead of increasing taxes, and implement a taxpayer protection act to limit federal spending.

ASSISTED SUICIDE

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, I present two petitions on behalf of my constituents from New Westminster—Burnaby and other residents of the greater Vancouver area.

In the first petition, 80 want it to be known that physicians in Canada should be kept working to save lives, not end them. They pray that Parliament ensure that the present provisions of the Criminal Code prohibiting assisted suicide be enforced vigorously, and that Parliament make no changes in the law that would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

HUMAN RIGHTS

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, in the second petition the signators call upon Parliament to immediately add sexual orientation to the list of grounds protected under the Canadian Human Rights Act, and further amend the Canadian Human Rights Act to ensure that the legislation protects our relationships and our families.

GUN CONTROL

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, pursuant to Standing Order 36, I am presenting today two petitions signed by 193 of the constituents of Prince George—Peace River.

They feel that no amount of gun control has ever succeeded in preventing criminals from acquiring guns for illegal means. Therefore, they ask Parliament to support laws that punish criminals using firearms and to support, recognize and protect the rights of law–abiding citizens to own and use recreational firearms and abolish any existing gun control laws that have proven to be ineffective.

I fully endorse these petitions.

GOVERNMENT SPENDING

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, I have a few petitions to present today. The first one is from Helene Windship of North Vancouver and 115 others requesting that Parliament reduce government spending instead of increasing taxes and implement a taxpayer protection act.

The second petition is signed by Rene Kosak of North Vancouver and 25 others asking that Parliament reduce government spending instead of increasing taxes and limit federal spending with a taxpayer protection act.

The third petition is signed by D. A. Reece of North Vancouver and 30 others requesting that the government reduce spending instead of increasing taxes.

HUMAN RIGHTS

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, the fourth petition is signed by Sheila Thompson of North Vancouver and 25 others asking that Parliament amend the Human Rights Act to protect individuals from discrimination on the basis of sexual orientation.

The fifth petition is signed by Margaret Dale of North Vancouver and 60 others requesting that Parliament not pass Bill C–41 with section 718.2 as presently written and in any event not to include the undefined phrase sexual orientation, as the behaviour people engage in does not warrant special considerations in Canadian law.

GOVERNMENT SPENDING

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, the final petition has 198 signatures, starting with Ronald Wells of Burnaby, and most of the others also live in Burnaby, asking that the government not increase taxes but reduce government spending and implement a taxpayer protection act to limit federal spending.

Furthermore, the Deputy Prime Minister promised to resign if the GST had not been abolished within one year and she has not yet done so.

[*Translation*]

VOICE MAIL

Mr. Paul Crête (Kamouraska—Rivière–du–Loup, BQ): Mr. Speaker, I have the pleasure of tabling several petitions signed by people from four municipalities in my riding. The petitioners humbly pray and call upon Parliament to ask the government to abandon its plan to introduce voice mail systems for seniors, given that seniors are naturally more at a loss when faced with voice mail technology.

These people are from Saint–Mathieu, Saint–Cyprien, Trois–Pistoles and Saint–Jean–de–Dieu. I extend my sympathy to the citizens of Saint–Jean–de–Dieu, who lost their mayor, Mrs. Rioux, this week, and to the Rioux family.

[*English*]

JUSTICE

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, I have two petitions to present today. The first is part of my initiative on day 13 to present petition 13 which is the desire of constituents to halt the early release from prison of Robert Paul Thompson. April 11, 1995 is the date set for the parole hearing.

The petitioners I represent are concerned about making our streets safer for our citizens. They are opposed to the current practice of early release of violent offenders prior to serving the full extent of their sentences.

The petitioners pray that our streets will be made safer for law abiding citizens and the families of the victims of convicted murderers.

• (1555)

TAXATION

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, my second petition is signed by 106 people living in Alberta. These people are against the taxation of dental plan benefits.

These petitioners believe that such a taxation will prove to be a discouragement to those seeking preventative dental treatment. They pray that Parliament not betray their trust by taxing health.

HUMAN RIGHTS

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, I am pleased to table two petitions in this House today, both of which I support.

The first petition calls upon Parliament to oppose any amendments to the Canadian Human Rights Act or the Canadian Charter of Rights and Freedoms which provide for the inclusion of the phrase sexual orientation.

GOVERNMENT SPENDING

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, the second petition asks that Parliament reduce government

spending instead of increasing taxes and implement a taxpayer protection act to limit federal spending.

TAXATION

Mr. David Chatters (Athabasca, Ref.): Mr. Speaker, I would like to present two petitions in accordance with Standing Order 36.

The first is from petitioners in the Lesser Slave Lake—Westlock area in my riding. They request simply that the hon. finance minister not increase our net taxes in this year's budget.

GUN CONTROL

Mr. David Chatters (Athabasca, Ref.): Mr. Speaker, in the second petition the petitioners request that Parliament support laws that will severely punish all criminals who use weapons in the commission of a crime, support new Criminal Code firearms control provisions which recognize and protect the rights of law-abiding citizens to own and use recreational firearms, support legislation that will repeal and modify existing gun control laws which have not improved public safety or have proven not to be cost effective or have proven to be overly complex as to be ineffective and/or unenforceable.

I concur with the petitioners.

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, today I have three petitions all dealing with the same subject matter regarding gun legislation.

My constituents from Okanagan—Similkameen—Merritt call on Parliament to oppose further legislation for firearms acquisition and possession and to provide strict guidelines for the mandatory sentence for use or possession of a firearm in the commission of a violent crime. There are 309 signatures on these three petitions which adds to a total of 1,839 of my constituents who have signed this petition to date.

IMMIGRATION

Mr. Tony Valeri (Lincoln, Lib.): Mr. Speaker, I have the pleasure to present three petitions to the House today. Pursuant to Standing Order 36, I have the pleasure to present to the House a petition signed by the constituents of Lincoln which reads: "The courts of Canada have deemed that the Canadian Charter of Rights and Freedoms applies to all people in Canada regardless of status. We request that the Canadian Charter of Rights and Freedoms apply to Canadian citizens and people of landed immigrant status only".

HUMAN RIGHTS

Mr. Tony Valeri (Lincoln, Lib.): Mr. Speaker, pursuant to Standing Order 36, I am tabling a second petition requesting that Parliament not amend the Canadian Human Rights Act or the Charter of Rights and Freedoms which would tend to indicate societal approval of same sex relations.

ASSISTED SUICIDE

Mr. Tony Valeri (Lincoln, Lib.): Lastly, Mr. Speaker, I have the honour of tabling a petition pursuant to Standing Order 36 which asks that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide are enforced vigorously and to make no changes in the law that would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

TAXATION

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, I do thank you for the exercise that I was able to get during this period. It was quite invigorating to be on my feet this often.

During the past month or so it has been my pleasure to distribute this petition which has been signed by over 20,000 people from Victoria to Halifax; 9,000 of these people are from my own constituency of Fraser Valley East.

The petitioners call upon the government to take notice that they are already overburdened with taxation due to high government spending. Whereas the government is considering tax increases in the next federal budget, the petitioners pray and request that Parliament reduce government spending instead of increasing taxes and implement a taxpayer protection act.

Obviously these petitions are easy to get people to sign and continue to flood into my office. It is a pleasure to present them on behalf of Canadians.

The Acting Speaker (Mr. Kilger): The good news for the hon. member for Fraser Valley East is that he has to sign the back of each and every one of those.

* * *

QUESTIONS ON THE ORDER PAPER

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

• (1600)

[*Translation*]

Mr. Jean-Paul Marchand (Québec-Est, BQ): Mr. Speaker, I placed Question No. 93 on the Order Paper on October 19. It should not be so difficult to come up with a response since the question was tabled on October 19, over four months ago. Normally, as you know, such questions must be answered within 45 days. Despite what the hon. member said, I know full well that this is not a complicated question. The data requested is well documented.

Knowing the minister responsible for this department, I am telling you, Mr. Speaker, that the delay in answering this

question is part of the minister's strategy of silence. They are interfering with access to information and making it increasingly difficult. That was my experience with this minister and I am convinced—

The Acting Speaker (Mr. Kilger): Order. I do not think this is a point of order as such.

Mr. Milliken: Mr. Speaker, as I indicated to the hon. member—I think it was on Monday and also last Friday— the government considered his representations. We are in the process of drafting a response to this question. I am certain that there are people now working on the response.

Mr. Marchand: I am not so sure about that.

Mr. Milliken: Yes, I am sure, because I made inquiries regarding this question on Monday before the hon. member raised his point of order, and I am certain that we will soon have a response for the hon. member, which I will table here in this House.

[*English*]

Once again, I thank the hon. member for raising this issue ad nauseam. I am delighted he is able to pursue it in this way. I look forward to having the response soon, as I indicated the other day.

I request that all questions be allowed to stand.

The Acting Speaker (Mr. Kilger): Shall the questions be allowed to stand?

Some hon. members: Agreed.

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MOTIONS FOR PAPERS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I would ask that the notice of motion for the production of papers be allowed to stand.

The Acting Speaker (Mr. Kilger): Shall the notice of motion for the production of papers be allowed to stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

YOUNG OFFENDERS ACT

The House resumed from February 20 consideration of the motion that Bill C–37, an act to amend the Young Offenders Act and the Criminal Code, be read the third time and passed.

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, I welcome this opportunity to speak to Bill C–37, which concerns young offenders, because this is a very important and very revealing bill. If we look at all the aspects of this bill, basically, it contains all the elements of a debate on social values.

As you know, Quebec is involved in a process that is leading up to sovereignty, and often people wonder why we in Quebec are doing this. People wonder what kind of society we want in Quebec. Well, this is a good example of the kind of legislation Quebec wants to avoid, the kind of legislation that does not reflect tendencies in Quebec at all. As long as Quebec remains in Canada, however, we will never be able to introduce legislation that, in my opinion, would be fairer and more equitable than Bill C–37.

When I say this could develop into a debate on social values, I mean that, when we talk about young offenders, we talk about young people, we talk about young people in our society and we also talk about violence. These are two subjects that go to the very heart of a society and reflect what is wrong with society. When young people commit violent crimes or commit suicide or are extreme in the way they act, it is because there is something very wrong with society.

• (1605)

It is symptomatic and also reflects all the problems besetting society. We cannot consider the issue of young offenders in isolation. We cannot isolate young people's problems as we would do in the case of transportation or more technical problems. We are talking strictly about the human, fundamental values in society. We cannot isolate this from the fact that we have poverty and unemployment, for instance, some of the factors by which society is defined. We cannot consider the problem in isolation. We cannot find the cause because there is no single cause.

An issue like that of young offenders must be approached with an open mind. We must consider what society is to us as well as our attitude to society and our attitude to justice within that society. We cannot take a short term view of this issue.

If we are to deal with the question of young offenders, we must have a comprehensive vision of society, a long term vision. Young offenders are a very serious problem that goes to the very heart of our society.

Once Quebec is sovereign, it will be a small and, I think, well integrated society. I think it will be able to come up with a real solution. In fact, the current legislation in Quebec that deals with young offenders is more advanced than what is being proposed by the federal government. I have the impression that a sovereign Quebec will be able to pursue this approach, to deal with the problem as we will deal with other problems, and that it will have a more enlightened sense of justice than what we see in Bill C–37.

I would say that, as long as Quebec is a part of Canada, we will never find a constructive way to deal with the problem of young

offenders, because Bill C–37 is an attempt to respond to the demands of people from the West, people who have a different perspective and take a different approach to the problem.

Bill C–37 is an attempt to respond to their concerns and their way of dealing with the problem. And consequently, this creates a problem for Quebec. It prevents us from going ahead with our own strategy.

As long as Quebec stays in Canada, there will be a jurisdictional tug of war, on this issue as on many others, because of the difference in vision. In this case, there is a very obvious difference between Western Canada and Quebec. Our two approaches are diametrically opposed.

This bill, which is an attempt to strike a balance, to respond to the demands of the West, will prevent the Quebec system from going ahead. It will be a waste of time and effort, it will not solve the problem, as I have been trying to explain, and will provide no remedy at all for the problem of young offenders. It is an exercise in futility and a waste of money, time and effort. I do not see anything constructive in Bill C–37.

• (1610)

In fact, the bill itself focuses particularly on young people 16 and 17 years of age, who are charged with serious crimes involving violence, such as murder. It would mean that these young people could be brought before adult courts. They can be sent to youth courts, but with this bill, they could be tried in adult courts.

If young people are tried in youth courts, the sentences will be harsher. The maximum sentence for murder will increase from five to ten years. The qualifying periods for parole will increase, parole will be harder to obtain, and the records of young offenders will be retained longer.

In short, this bill imposes stiffer sentences on young persons, particularly those who are 16 and 17 years of age. This is the spirit of this bill: impose harsher sentences on young offenders. But violence among young people is the work of a few. They do not represent a particular trend in society. They represent a very small proportion of young people—a few dozen.

This bill deals with a few exceptional cases, which do not represent any sort of trend in society. There is no distressing increase in violence by 16 and 17 year olds. The figures over some 15 years in this area reveal no sort of increase.

Until 1992, there was a five per cent increase in crimes involving young persons, but since then, the figure has been more like 2 per cent. This is the general crime rate among young people. This increase compared with the increase in population reveals no startling change.

All of the experts agree that the rate of serious crimes among young people, such as murder, manslaughter, aggravated assault, has remained stable or has decreased in the past decade. This is what the statistics tell us about the number of violent crimes among young people.

We cannot even say that violent crime has increased among young people, but we can say that there have been a few cases, the exception. For example, the two boys in England who killed a child of five or six, or other cases we can cite as examples of sensationalism, which were given considerable attention on television and in the newspapers.

Bill C–37 is in response to this sort of sensationalism or this perception. We are not dealing with a critical problem for society. There is no crisis; violence is not really on the rise among young people. This bill is trying to deal with very exceptional cases.

• (1615)

That is the nature of the problem with this bill. I would like now to address the consequences for young persons of calling for harsher sentences at this time. The consequences are, to be sure, the same as for older criminals, that is people in adult penitentiaries. The consequences are the same and every study by every expert confirms unequivocally that the sentence offenders receive has no influence whatsoever on the crime rate.

Imposing sentences of 10, 15 or 20 years will not reduce crime. Studies show this clearly. Moreover, in looking at the situation, it seems that the more sentences are increased, the greater the number of offenders. Go visit Canadian penitentiaries. I have had the opportunity to visit every penitentiary in Canada, from Dorchester to the B.C. maximum security prison, including the Saskatchewan maximum security institution. I worked for the Canadian Penitentiary Service and visited all Canadian penitentiaries and, looking at what goes on inside them. Considering the studies and statistics, one realizes that, once a person is sent to a Canadian federal penitentiary, there is a four in five chance that he will return a second time and the odds increase.

Canadian penitentiaries are training grounds for criminals, quite simply, and this is very easy to understand. If you go to Dorchester or any other prison, you will see how the law of violence rules these places. When they get out, people are already trained for violence, especially in Canadian penitentiaries as they were in my day, where there was no training of any kind, no rehabilitation or, if there was any, they were silly things such as programs to make mail bags.

Yes, there were a few little programs here and there, for training, education, but generally speaking there was no training, no rehabilitation program whatsoever. Prisoners were left to their own devices and when released from prison, the situation was clearly disastrous. There are organizations which try to help prisoners after their release, such as the Elizabeth Fry Society for women, and there is also an organization which tries to help released prisoners, I forget the name, but there is very, very little help.

In those days, the system was such that you could predict the number of criminals society would produce. In the penitentiary system, prison construction plans were drawn up for five or ten years down the road. In fact, when I was there, my job was to try to find cities where prisons could be built. The penitentiary system was a real industry within the government.

• (1620)

We therefore could predict when we could fill them. Obviously, that could serve some political purpose. In fact, some politicians thought that it was desirable to have a penitentiary in their riding because it created jobs.

We can agree that imposing longer and heavier prison sentences is not the solution. Nobody thinks that this is the way to help people who have committed serious crimes, especially young offenders. There is hope in setting up rehabilitation and training programs for young people. At least they can be rehabilitated. It is not by imposing heavier sentences that we can hope to rehabilitate offenders.

From the way this bill is taking shape, it seems that we will be able to send 16 and 17 year olds to penitentiaries. The 27–year olds leaving jail after 10–year prison terms will be hardened criminals. This resolves nothing.

In fact, Bill C–37 has sprung from a thirst for revenge. It was also created to please politicians from the right who think that heavier sentences will thin out the criminal element. It resolves nothing. It does not improve the lot of young people.

The bill itself is incoherent. It will create administrative problems and delays for Quebec, which has already taken the rehabilitation route. Quebec is already well on its way to helping young offenders, and Bill C–37 will slow us down in this endeavour.

It seems to me that anyone with a heart will realize that young people do not need to be put away, they need to be closely supervised. In my opinion, this is the best solution. Quebec already is on the right track, and a sovereign Quebec will be able to continue in that direction, not only when it comes to assistance for young offenders, but also when it comes to the issues of justice and violence. As a country, we will be able to propose real solutions, rather than measures like Bill C–37, which in no way resolve a very, very serious problem.

[*English*]

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, at the beginning of his speech the member talked about a more fair and equitable policy. More fair to whom, the offenders or the victims; fairer to law–abiders or lawbreakers?

He introduced a notion of values that should be upheld. He also indicated that there was no single cause of crime. He tried to turn that around to say that we need some long term global view rooted in the basic problems of society. He advocated a more insular cohesive Quebec with reduced interaction with the larger social world and that somehow that would ameliorate the young offender problem. I assert to the member that is just another version of separatist fantasy stories.

• (1625)

Then he talked about Bill C–37, that perhaps it was only requested because of problems arising in the west. I advise the member that the human heart is the same and the propensity for young offenders to offend is the same across the country.

It seems every comment from the Bloc is turned into a territorial turf question about who is in control and has a varied sociological view. This does nothing to constructively build a better Canadian society. The member denies the reality of youth crime in his own province. He advocates a separatist ideology of expansive social order and an inappropriate response to youth crime.

Canadians across the country have subsidized rehabilitation efforts for offenders in Quebec. We do that with transfer payments yet he wants to abandon it. He claims that a separate country of Quebec could do a lot better. I say he is mistaken about his dreams. I advise him that the polls tell us that most Quebecers also say he is just dreaming.

Mr. Marchand: Mr. Speaker, thank God I am dreaming. Thank God that I can hope to improve or to speak in ways that can improve society.

The system of justice is for whom? Certain people in the House speak only about the victims. As far as I am concerned from what I have read, the system of justice was conceived to protect and improve society. People who think that hanging the person who killed so–and–so will make the family of the victim better off are not thinking clearly or do not have a grasp of the problem.

We need laws that try to improve society as a whole. It is not by imposing more severe punishment on young offenders that we will improve the lot of society.

In response again to the hon. member, in Quebec we have the capacity to bring in a better system. We already have because in Quebec we understand. We have a sense of humanity in respect of young offenders that allows us to think in terms of rehabilitating them rather than thinking exclusively of putting them into prison and increasing the punishment, which has proven to be totally useless not only for the young but for the older criminals.

We are already on a progressive path in respect of that problem. Bill C–37 is retrograde. It is coercive. It is repressive. It is like going back to the Middle Ages. That is why I say that in Quebec, and especially in a sovereign Quebec, we will probably,

hopefully, be able to do things a bit better. I hope people elsewhere will also be able to do better.

It is not just a question of territorial control. Certainly it is a question of justice. It is a question of cultural sovereignty. It is a way of interpreting justice. Our way in Quebec of interpreting how young offenders should be judged is more equitable or more profitable in the long term for society than forcing young offenders to be submitted to longer terms of imprisonment, which are a total waste of human life.

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, I appreciate the comments of my friend.

He made the comment that people who are in favour of stronger punishment for criminals and capital punishment are not clear thinking or are not thinking properly.

Does he realize that the majority of Canadians, including the majority of people in his own province, agree that we should have stronger sentences for criminals, that we should be tougher on criminals and tougher on crime, and that we should reinstate the death penalty in Canada?

• (1630)

Is the hon. member going to then stand up and say that the majority of people in his province cannot think properly? That is what he is implying with his statements.

Mr. Marchand: Mr. Speaker, I am not implying that by any means. I do not know which statistics the hon. member has looked at but in Quebec people are not crying out for more severe punishment. I do not believe that we are in agreement for the death penalty. We have progressed and realized that the right path is not the death penalty or severe penalties against criminals.

I think we have understood that. There are no statistics in Quebec indicating that that is what the majority of people in Quebec would want. It may be in the west, but certainly not in Quebec.

[*Translation*]

Mr. Benoît Serré (Timiskaming—French River, Lib.): Mr. Speaker, I have to disagree almost completely with the comments made by the member of the Bloc Quebecois.

Bill C–37 contains provisions that emphasize rehabilitation. How can you rehabilitate a young offender who is still on the street with his group of friends and partners in crime? I still remember that, as a kid, it was not the school teacher's strap I was afraid of, it was the spanking waiting for me at home after my brothers told my father.

I remember when one of my brothers stole a 10–cent item from the store. When my father found out, he forced my brother to go back to the store to apologize and return the stolen item to the victim. This was followed by corporal punishment. I think it turned out well. My brother never had a problem with the law after that.

Throughout this debate, we have shown great concern for the criminals but very little concern for the victims. I know people who commit a crime in the fall so that they can spend the winter in prison because they eat better there than many street people.

I spoke about this with several police officers who must arrest these young offenders. Almost all of them say the same thing: Young criminals are laughing at us. We charge them with a crime and they say, "I do not care. It does not matter what you do because I will be back on the street tomorrow morning". They know they can go before a judge, who will slap them on the wrist and say, "Do not do that any more, little boy". That is why there are so many repeat offenders.

Again, I think our first concern should be to protect society. As they say, if you cannot do the time, do not do the crime. Young people must realize this.

The purpose of sentencing is not to punish young people but to act as a deterrent. If sentences are tough enough, they will have a deterrent effect and reduce crime.

Mr. Marchand: Mr. Speaker, the evidence is there. Studies have shown there is no deterrent effect. Increasing the sentence does not reduce the crime rate. Studies have confirmed this.

I agree that, when you are a kid and your father gives you the odd spanking, it might help. But when we are talking about putting people in prison, especially young people, in institutions that reinforce criminal behaviour, that is different. I agree we have to strike a balance, and I agree that some people will say that we are more concerned about the criminal than the victim.

Of course we have to be concerned about the victim, but it seems to me we should take a more progressive approach to the way we treat young offenders. And the way we do this reflects the values of our society. When we talk about young offenders, we are talking about a small number of people, but we need all kind of resources to help deal with what causes these young people to commit violent crimes.

The trouble is this bill imposes more severe sentences for young people who have committed a murder but, basically, the problem is the same as in the case of young people who commit suicide. There is something deeply wrong with society, and young people are saying this by their extreme actions.

• (1635)

So it is not by punishing young people who are victims of the system that we will solve the problem. We have to change the way society works. We have to make sure their father and mother have jobs and are not violent. As you know, a young person may be violent because his father and his mother are violent. That is why I say that in Quebec we will probably have

less trouble dealing with the real causes of these problems because we will consider all the other factors and not just—

The Acting Speaker (Mr. Kilger): I am sorry, but the period for questions and comments has expired.

[*English*]

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 Frontenac—Dairy farmers; the hon. member for Timiskaming—French River—Justice.

Mrs. Jean Payne (St. John's West, Lib.): Mr. Speaker, I too rise today to comment on Bill C–37, an act to amend the Young Offenders Act.

This bill was the subject of justice committee hearings from June 23 to December 8, 1994. During these hearings, victims groups, groups of offenders, witnesses from children's aid societies, as well as representatives from judges' groups, bar associations and school boards all made recommendations to the committee.

I would like to take this opportunity to thank all of these individuals and groups for taking the time and effort to present their positions to the committee. I would also like to congratulate the members of the committee for their work on the bill during these hearings.

This bill is not perfect. No bill ever is. I believe that to understand the purpose of this bill one must first understand the purpose of the Young Offenders Act generally.

The Criminal Code of Canada sets out Parliament's goals and initiatives in the area of criminal sentencing for adult offenders. Conversely, we have enacted a separate statute, the Young Offenders Act, which legislates the sentencing process for young offenders. This is in recognition of the fact that young offenders often commit crimes for vastly different reasons than the motives behind adult crime.

The goals of punishment, deterrence and rehabilitation are often achieved through different methods with young offenders than with adult criminals. The primary difference often recognized by experts is that many young offenders have a much better chance of being rehabilitated and becoming productive members of society than adult offenders. Tied in with this is the idea that for many young offenders the commission of a crime is an isolated incident in their lives, whereas for adult offenders, the commission of a crime more often signifies a larger pattern of lifestyle.

Unfortunately, events over the past few years in Canada have shown that not all young offenders fit the stereotypical mould of a young person who in committing a crime made an isolated mistake. Perhaps the most striking example of this was the tragic death of Nicholas Battersby last spring here in Ottawa. Mr. Battersby was shot in a drive–by shooting in broad daylight just blocks away from this House. Four young offenders were accused of this crime. I believe one of these youths has already pleaded guilty to this offence.

We also hear of swarmings in Toronto. This is the term for a phenomenon where a group of youths harass and beat a lone individual, sometimes simply for the clothes he or she is wearing.

These and other tragic stories show Canadians one thing: Some young offenders, long before they reach the age of 18, have become hardened criminals and the Young Offenders Act is simply inadequate to rehabilitate them or to protect Canadians from them.

We hear stories of youth who state that they commit crimes without any worry of being punished for their acts. We hear young Canadians openly saying that they would continue to commit crimes because the punishment available under the Young Offenders Act until the age of 18 simply does not scare them.

It is with this backdrop that the Minister of Justice has brought forth this legislation, Bill C–37. I would like to speak now on some specific measures in the bill.

• (1640)

The first measures contained in the bill are, in my opinion, the most important and fundamental amendments to the Young Offenders Act. The amendments proposed to paragraph 3(1) of the present act send a clear message to the judiciary who are responsible for enforcing the act. The protection of society is a primary objective of the Young Offenders Act. This preamble is most important.

Much of the time, the varying goals of the criminal law are in conflict. Some measures while they contribute to the rehabilitation of offenders may place the public safety at greater risk. I am here today to say that Parliament, the judiciary and other stakeholders in this debate must never forget that the safety of the public can never be compromised.

While some measures may be seen as contributing to the rehabilitation process, these benefits must be contrasted with any threat they present to the public safety. This is the fundamental struggle of any criminal justice system. Nowhere is the dilemma more prevalent than it is with the young offenders system.

While studies and common sense dictate that as a group young offenders are much more amenable to rehabilitation than adult offenders, we have learned the hard way that young offenders can also be serious threats to the public safety. The Young Offenders Act therefore must recognize the dual and conflicting role that it must play. The amendments proposed to paragraph 3(1)(a) send a strong message to the judiciary that Parliament

expects the judiciary to consider public safety and rehabilitation when considering the Young Offenders Act.

The other amendment which this bill proposes to paragraph 3(1) is to affirm that young persons must accept the responsibility for their actions and for their contraventions. Again, the whole purpose of the Young Offenders Act is to recognize that the young persons accept this responsibility in different ways than do adults. However, they still must accept responsibility for their actions and also the responsibility of rehabilitating themselves.

On the theme of protection of public safety, I would like to turn to the amendments proposed to section 16 of the Young Offenders Act. These amendments would provide that 16 and 17–year old offenders who commit murder, attempted murder, or manslaughter would be tried as adults unless the youth court orders that the youth be tried as a young offender. Under the present Young Offenders Act an offender can be tried in adult court, but only if the crown successfully petitions the youth court for such a transfer.

Presently, a young offender who is charged with any crime will automatically be tried in youth court unless the crown can convince a judge that circumstances merit otherwise. Under this bill a 16 or 17–year old charged with murder, attempted murder, or manslaughter will be automatically tried in an adult court unless a judge, on application, can be convinced otherwise.

I know I am repeating myself but it bears repeating. This is a very important step. Effectively, a reverse onus will lie with a young offender charged with these crimes to show a judge why he or she should not be tried in adult court.

The effect of these amendments will be to increase public safety while also recognizing that in certain cases an offender charged with these offences may be best dealt with under the Young Offenders Act.

This amendment is also consistent with the principle that young persons must accept responsibility for their actions. This amendment is of fundamental importance.

The present maximum sentence available under the act of five years for a 16 or 17–year old who commits murder is inadequate. As many of us know, some young people who have committed murder openly mock this sentence.

This amendment sends a message to all Canadians and to young offenders. That message is that while there may be valid reasons for giving a young offender a second chance, a young offender accused of these serious crimes must convince the court of these reasons.

These amendments therefore address the competing interests between public safety and rehabilitation, particularly when serious crimes such as murder are at issue.

In particular, I would like to bring the attention of the House to section 16(1.1)(b) which under clause 8(1) of Bill C–37 states that when considering whether a young offender should be tried as an adult or in youth court, the protection of the public will be paramount. If the judge is unable to reconcile this objective of public protection with other objectives, then the youth will be tried as an adult. This in my opinion is an ideal method of dealing with this dilemma of reconciling the protection of the public and other objectives of the criminal justice system.

• (1645)

Youth crime, like any other crime, demands a reasoned response to address all the goals of a criminal justice system such as general deterrence, specific deterrence, rehabilitation and public safety. However, when the other objectives conflict with the goal of public safety, public safety must take priority over other considerations.

I therefore support the amendment whereby 16 and 17–year old offenders must show the court why they should be tried in a youth court. In fact, it is unfortunate in my view that this amendment applies only to 16 and 17–year olds. It could easily have been expanded to all young offenders with consideration of the age of the offender becoming a key consideration which a judge would consider in determining whether or not an offender should be tried in youth court. Perhaps this could be something that might be addressed later in phase two of the study on the Young Offenders Act.

In conjunction with the amendments in Bill C–37 dealing with the transfer of 16 and 17–year olds accused of murder or attempted murder, the bill also raises the maximum penalty under the Young Offenders Act for first degree murder to 10 years from five years. In addition, the maximum penalty for anyone convicted of second degree murder will be raised from five to seven years. Again, these provisions in my opinion address the concern that we live in a society where a sentence of five years is not adequate in all cases to deter crime and to protect society, or to rehabilitate the young offender.

Bill C–37 will also provide for victims of youth crime to make impact statements at the sentencing of a young offender. Too often with our criminal justice system, victims complain that they are victimized twice, once by the crime and again during the court proceedings in relation to the crime. We hear stories of victims who are not even informed of when the offender will be sentenced. Victims complain that they have no input in the criminal proceedings.

While it is obvious that the judge in any case must be the final arbiter of a case, in order to adequately dispose of a case the judge must have the representations of all the affected parties before him or her. This includes representations from victims of crime detailing the impact the crime has had on their lives. Only with this input will judges truly be able to pass a sentence that fits the crime.

In closing, I would like to encourage all members of this House to support Bill C–37. I believe it provides amendments which recognize that the Young Offenders Act must obtain a balance of rehabilitation, public safety and deterrence. Unfortunately, in some cases the Young Offenders Act as it now stands does not adequately address the proper balancing of these interests.

This bill provides an excellent start on the process of reducing crime by youth by providing for measures that will take into consideration the issue of public safety. I encourage all members of this House to realize that any criminal justice system must have as its goal the balance of the objectives of public safety and rehabilitation. This is particularly true of any criminal system designed for young persons.

While it is true that young people are much more amenable as a whole to rehabilitation, the public must be adequately protected from all crime no matter who commits it. The amendments proposed to the Young Offenders Act as contained in Bill C–37 address the balancing of these objectives. This balance is lacking in the act as it now stands.

Finally, let me add my voice to others who have mentioned in this House that this bill does not represent the whole story of reducing crime by young persons. Most of the Young Offenders Act by definition deals with offences already committed. The other half of the equation of course is crime prevention.

In order for any initiative to reduce crime to be successful, the whole equation must be looked at. The 12th report of the Standing Committee on Justice released in 1993 pointed this out. It identified that in order to reduce crime we must attack its roots such as unemployment, illiteracy, physical and sexual abuse of children, the glorification of violence, and dysfunctional families.

• (1650)

Studies have shown that crimes in neighbourhoods are drastically reduced when programs designed to keep youth occupied are instituted. Similarly, programs that attempt to help young Canadians get off the streets will also help prevent crime.

It is vital that the roots of crime be addressed in order that public safety is ensured. These steps in my opinion will be wise investments in the future of this country. Therefore I congratulate the Minister of Justice and the Standing Committee on Justice and Legal Affairs in taking the first steps in reforming the Young Offenders Act with Bill C–37.

I also encourage the government to continue its efforts to eradicate crime by taking the initiatives that aim at preventing crime before it is committed.

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, the member finished off by congratulating the minister for taking the first steps. Perhaps we could say they are baby steps. Why not bring in a bill that would comprehensively deal with the problems of the Young Offenders Act?

At the beginning of her speech, the member talked about the importance of rehabilitation. The problem with youth crime is that many young offenders have never been habilitated in the first place. Society needs to respond to protect itself while respecting due process and offender needs.

Throughout her speech, the member recounted the problems very clearly, but does she believe that Bill C–37 will fix the problems identified? I think not.

She talked at length about the reverse onus provision and the whole procedure of transfers especially for 16 and 17–year olds. Perhaps she might address herself to the mind that it is basically an admission that the Young Offenders Act is fundamentally flawed for 16 and 17–year olds.

This brings up the topic that if we have to spend so much time dealing with the special problems for 16 and 17–year olds then the act is fundamentally flawed. Really it deals with the wrong set of kids and 16 and 17–year olds should be dealt with in adult court.

The member repeatedly cited the problems and the dilemmas but then made that unreasonable leap of faith that Bill C–37 is appropriate in responding to the problems that she cites.

However, I was encouraged that the member acknowledged the notion of victims in the process. I would ask her, would she then advocate or be willing to support the giving of legal standing to victims in the young offender court?

Mrs. Payne: Mr. Speaker, I thank the hon. member for his comments. As I stated at the beginning of my comments, this bill is not perfect. It is a first step toward revamping the present act.

To speak to the comment he made on the victims of crime, as we go along with this bill and the amendments that will come subsequent to this process, these facts will be dealt with in time. It is certainly a problem and one I am sure the committee will be looking at in the future.

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, in his latest report the Auditor General took what I consider to be a major step forward in discharging the duties of his office.

In addition to the traditional accounts of waste and questionable accounting practices, this time around he pointed out that a major cause of wasted money—and in my view this is the major cause—is not overpaid civil servants, the redecorating of offices, or the wasting of staples and paper clips. The problem the Auditor General focused on this time around is that we spend billions of dollars a year on programs without ever saying what the programs are intended to achieve, or how we measure their success in achieving their goals.

It is not hard to think of a government program to which this criticism applies. Actually it is hard to think of one that it does not apply to. We have social programs that hurt society. We have family programs that destroy families. We have aboriginal programs that keep Canada's Indians from ever achieving self–sufficiency. We have trade programs that discourage free trade. We have expenditure control legislation that allows spending to spiral out of control, and so on. It is not a pretty sight.

• (1655)

Every time one of these programs fails, the solution is to spend more money. We never ask what we are trying to do, how we will know whether or not we have achieved it, and when we will shut the program down if we do not see some success.

Getting to the Young Offenders Act, what is it supposed to be doing? Is it doing it? How can we tell? If it is not, at what point do we change our approach?

The purpose of the Young Offenders Act is quite clear. It is intended to draw a distinction between hardened adult offenders on the one hand and juveniles on the other. Then it is intended to separate the hardened juvenile offender from the kid who got in with the wrong crowd and made a foolish mistake. Most of us would agree that the kid who made a foolish mistake and that kid alone deserves a second chance.

I am sure many members are thinking: "Come off it, Mike. In this country we do not hold hardened adult criminals responsible either", and this is sadly true. It is difficult to pick up a newspaper today without seeing some dreadful tale of an innocent person abused or slaughtered by someone who ought still to be in prison serving out their sentence. Perhaps our governments do not take crime seriously even by adults, but the public wants them to and the Liberals ignore that desire at their grave peril.

Last time the Liberals formed the government the public got so sick of their arrogance that it reduced them to some 40 seats in Parliament in the 1984 election. Let me serve notice here and now that if the Prime Minister and the cabinet ignore public feelings about crime, that will be the good old days for the Liberal Party.

If the Liberals hope to avoid such a debacle, there are so many things they are doing that they had better not. They had better not raise taxes for one thing. They had better not keep spending more money than they take in for another. They had better apply the Auditor General's critique to their entire crime policy. Is crime being deterred? How do we measure it? If it is not, how do we change the law so that it is?

To help the Liberals in this unfamiliar exercise of considering whether what they are doing is actually working, I would like to start by applying the Auditor General's criteria to the Young Offenders Act and to these amendments to it.

The Young Offenders Act is supposed to give a second chance to those who deserve it. Is that what it is doing? Or is it just giving a licence to those under 18 to commit crimes? How can we tell? It seems quite simple to me.

If the Young Offenders Act is working, those youths who are given light sentences, who have their records sealed when they reach the age of majority, who receive no punishment at all for their misdeeds, should subsequently turn out to be better citizens than those who are selected for more severe punishment. Young people who get into trouble with the law should be less inclined to continue their criminal careers into adulthood than before there was the Young Offenders Act.

In short, if the Young Offenders Act is working, we would either have no more youth crime than we had in the past or perhaps a little bit more but a much lower rate of juvenile delinquents going on to become adult criminals. If not, if youth crime is skyrocketing and young offenders who receive a light slap on the wrist for serious acts like robbery, assault, even rape and murder go on to commit serious crimes as adults, then the Young Offenders Act is failing.

To me, the scariest possibility would be that the young thugs are manifesting an increasingly obvious awareness that they are beyond the reach of the law because of the Young Offenders Act, that they are responding rationally to the incentives government has built into its policies. That would be easy to measure too. Just look to see when the Young Offenders Act came into force and then after a few years delay when teenagers came to understand these provisions youth crime skyrocketed.

I wonder whether the government bothers to keep statistics on these questions and if it does, whether it will release them. I wonder whether we had less youth crime before the Young Offenders Act or more. I wonder what proportion of those who receive lenient sentences or have their records sealed when they turn 18 go on to commit more serious crimes as opposed to those who used to receive a stiff punishment for an evil act.

• (1700)

I am submitting these as Order Paper questions because as Canadians we have a right to know what is going on. That includes knowing whether the Minister of Justice knows or cares whether the Young Offenders Act is working. If it turns out that when measured adequately against clear criteria the Young Offenders Act is the failure it seems to be, then I wonder something else. I wonder what the government's priorities are.

Does the Minister of Justice think that his primary and overwhelming responsibility is protecting the lives, liberties and property of Canadian citizens and does he measure each of his initiatives against that criterion? Or is he busy trying to turn us all into socially aware, personally tolerant, cappuccino drinking, fluently trilingual citizens of the global village of the 21st century? Is he too caught up in his social engineering to protect society as it now exists?

Some will doubtless believe I am being unfair to the minister. Some will doubtless maintain that the justice minister knows exactly what the Young Offenders Act and these amendments to it are supposed to achieve. And he knows exactly how to measure success.

The Young Offenders Act, some will tell me, is part of a grand social engineering project of this and previous Liberal governments. It is the abolition of personal responsibility. These people will further tell me that the Minister of Justice knows exactly what the amendments are intended to achieve. They are intended to deceive the bumpkins out in the hinterland into thinking that crime is being punished and innocence rewarded so that the project of relieving us all of responsibility can proceed unmolested.

These people will tell me that the justice minister has very clear ideas how to measure his success on this project. They will say that if the justice minister can get the polls to say Canadians think he is cracking down on youth crime, he will not actually have to hold murderous young thugs accountable for their acts of evil. I do not think so.

I prefer to be charitable and assume that the justice minister and the Liberals are so convinced of their divine right to rule over Canadians and reshape them for their own good that they do not bother asking themselves whether what they are doing is working.

That is why I have risen in the Chamber today, to tell the justice minister as clearly and forcefully as I can that when his party was elected on the promise of a better yesterday, voters had in mind a time when jobs were more secure, the national debt was far lower and the streets were a lot safer. That is what they want to come back, not to the crazy experiments and wild excesses of the Trudeau years.

I hope the Minister of Justice, the Prime Minister and the entire government understand that Canadians really do believe and cherish individual responsibility. They overwhelmingly favour the right to own property. They overwhelmingly favour politicians who listen to their constituents. They overwhelmingly favour the right of law–abiding citizens to live in freedom and in security. And they overwhelmingly favour tougher action against crime and criminals of whatever age.

I call on the Minister of Justice, the Prime Minister and the government to take back this legislation and to repudiate the entire approach behind it. I call on them to recognize that the most primary duty of a government is to protect the lives, liberty and property of its citizens from force and fraud.

I call on them to develop and make public a set of standards for measuring the success or failure of the Young Offenders Act against this goal. And I call on them to amend it so that it works or abolish it if it cannot be made to work.

Enough of softness on crime. Enough coddling. Enough punishing the innocent and pardoning the guilty. Either they do it now or the Reform government does it after 1997 while they collect their undeserved pensions and write their wistful memoirs.

That would be simple justice. Simple justice is what the Canadian public wants and simple justice is what the Reform Party is going to give them.

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, I listened to the member. He acknowledges how much we are doing positively and how many millions we are spending within the juvenile justice system to respond to juvenile crime. Sometimes we do not hear about that but a lot of wonderful things are being done and great effort is made throughout the country within the juvenile justice system. It is not a matter of either or, but a great amount of resources are being spent.

• (1705)

He makes the point that we must always evaluate our social programs for what is actually delivered. It is a point that must not be forgotten, and he mentions the role of the Auditor General in that.

The member reflects the experience of the community and how the message has been sent by the operations of the Young Offenders Act. He points out that we have had the Young Offenders Act for 10 years, and if it was working properly it would have acquired the acceptance of the community. The opposite is true. The community's experience with the act has resulted in the act's repudiation and a lack of confidence that it would have earned if it was working properly.

The member also pointed out the fact that the Young Offenders Act represents a Liberal social philosophy that is really not reflective of mainstream Canadian values. He talked about the issue of community accountability. The final measure of what should be done with the Young Offenders Act is, what does the public want?

Mr. Scott (Skeena): Mr. Speaker, I thank my colleague for his comments and I would reiterate what I said in my intervention. We have to measure the success of our programs against clear criteria. We have to evaluate whether or not the legislation that is in effect right now or legislation that is brought into the House is actually working.

The Auditor General said in his report that so many of the things the government does, fails. It fails the test of accountability. It does not achieve the lofty goals that it sets out to achieve. The Young Offenders Act is another example of that very deep malaise that sits in our federal government and has for a long time.

The programs that are brought into the House or that are on the books right now have to be evaluated in clear terms. It has to be demonstrated they actually work and that Canadians are satisfied with them.

Clearly Canadians from coast to coast are not satisfied with the Young Offenders Act and they will not be satisfied with the amendments as proposed.

[*Translation*]

Mr. Ronald J. Duhamel (Parliamentary Secretary to the President of the Treasury Board, Lib.): Mr. Speaker, it is with pleasure that I rise to speak on this bill, this afternoon.

[*English*]

We are attempting to reconcile two views; one which looks at what one would refer to as tough treatment, incarceration, dealing with young people who create situations that are unacceptable to society in a very direct and sometimes I would suggest almost brutal kind of way.

On the other hand, another group of people somehow believe that if you do not look at youth crime, and if you are patient and understanding and soft, that it will go away. Surely the answer lies somewhere in the middle. Surely there is a balance to be struck.

This is what the bill is all about. It attempts to reconcile two views. It attempts to establish a correct balance, and that correct balance would obviously vary according to the values that an individual holds.

We are asked to define what is a fair response. What is a just response? What is a correct response to a crime situation when it is undertaken by a young man or woman? That is extremely difficult. I do not pretend to have all of the answers and it would be presumptuous of me to suggest that I do.

I want to share some ideas in the spirit of debate to try to address a very serious situation. I do not believe that you can wish it away and it is simply going to disappear. I do not believe that incarceration and rough treatment is the answer either.

• (1710)

The government has to manage. It has to protect society. At the same time, simply putting people away does not solve the problem. It does not even come close to solving the problem.

One can look at rough treatment or direct treatment or incarceration. A lot of people would say, "not pandering to those criminals". Do they look at the success rate of reacting that way? What happens when we put people away? What are the costs when people are put away? We do not talk about that. There are costs. It costs a lot of money to detain people today. Obviously it has to be done because society has to be protected in certain circumstances. As a solution it is not only costly but I think it is extremely dysfunctional.

Look at the people who are put away. Since they are young people many of them are eventually released. Once they are released how many go on to integrate into society and lead productive lives? What is the success rate of that kind of approach?

Pretending that no problems exist will not resolve anything. We have to acknowledge that there are difficulties in society that are caused by real reasons. The real challenge to us as parliamentarians, as members of Canadian society, is to find out why it is that people commit crimes.

Some people suggest there are good and bad people. That is too simplistic. There are people who along the way, for a variety of reasons that we do not always understand nearly as well as we should, commit criminal behaviour that is totally unacceptable to society. That is where the challenge lies. If we could understand that, we could respond. In responding to that we could cut down the amount of crime in society. It would be much less costly, much less dysfunctional and a much more humane and satisfying kind of way of dealing with our fellow human being whether he or she is or is not a criminal.

[*Translation*]

We are trying to strike a balance between those who feel that imprisonment is the solution and those who feel that patience and education will eventually bring an end to this type of violence, abuse and criminal behaviour.

[*English*]

The bill includes a number of serious measures. I am not disappointed when I hear people suggest other or additional measures. That does not bother me. What does bother me is when the efforts of a very prominent Canadian are belittled, a justice minister who knows a lot about the law and criminal behaviour and who has taken the time to consult widely. Then we pose as supposed experts and simply belittle that which he has produced. That is arrogance.

Mr. Speaker, I know you would agree with me that when members on the opposite side suggest that members of our party are arrogant, there is no greater arrogance than pretending that one is an expert, that one has all of the solutions to all of the complex problems of society when one in fact does not. They come forward with simple, glib, catchy little solutions that pretend to resolve, so they can go away and suggest they are really listening to people and applying those solutions, and they

are going to correct the ills of society, that is arrogance. That is the most profound arrogance that one can find.

Unfortunately we find it a great deal in some members of the House. Some of them are raising their hands. I wish the camera could catch them right now so their electors could see firsthand who they are. Unfortunately that is not possible. Perhaps they will have the courage to get up and ask question, so we can have a bit of a debate. I can say a few more things to them then.

The bill includes increased sentences. Has anyone talked about that? It includes going to adult court in certain circumstances, when the crime is sufficiently serious to warrant that kind of situation. It includes extending the time served before being considered for parole. Has anyone from the opposite side mentioned that? It includes a better sharing of information among those people who deal with youth and criminal behaviour by young people.

• (1715)

It also includes rehabilitation and treatment. That underlies the whole notion here. We want to rehabilitate. We want to be able to treat. We want to keep young people out of penal institutions. It is costly. It is dysfunctional. It does not do them any good as human beings. It protects society and, as I mentioned before, when protection is needed that is clearly what we would do.

The legislation includes the possibility of victim impact statements when sentencing, something that is now used in adult situations only. It talks about conditional supervision which is rare in a number of circumstances today but which is extended.

It talks about medical and psychological assessments. We no longer need to get consent. We can ask for those assessments to assist us in making better, more sensitive judgments that will be practical and address the real problems. A very important point is the possibility of restitution to the victims of crime. It has many components the opposite side has not addressed.

The major challenge to us today is twofold. It is to look at the legislation not in a partisan way but in the spirit of openness to see what merits support and what can be improved. Surely members on the opposite side see some positive features in the legislation. They can bring about suggestions that may lead to improvements. That is one of the challenges.

Another challenge before us today is to try to understand better than we do why it is these young people turn to criminal behaviour. If we could understand that we could prevent crime. Preventing crime would ensure that there is less incarceration, less cost to society and more productive lives being lived by young people.

[*Translation*]

I believe I am reaching the end of my speech. I will stop here, and I look forward to questions from my colleagues across the floor.

[*English*]

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, we are listening on this side of the House. Hopefully our constituents are listening at home as well.

I appreciate the hon. member's comments about Bill C–37, the reforms to the Young Offenders Act. He said that if we had any suggestions he would welcome them and that we should bring them forward to the government. We have been trying to do that at every opportunity in the debate on the Young Offenders Act and the specific bill.

It is high time young people who commit violent repeat offences are held accountable. We talk about that often. We should quit blaming society, family or peer pressure for their crimes; they have to be held accountable.

I wrote down from the hon. member's speech that he does not believe incarceration and rough treatment are the answer. Some people would differ when it comes to repeat offenders and offenders who commit horrendous violent crimes.

I would like to refer to a newspaper article and ask the hon. member if he would agree with this type of treatment and indicate whether it has some potential in Canada. I refer to an article about the Toulson Boot Camp in Maryland, U.S.A., which states:

> Offenders between the ages of 17 and 25, sentenced to five years or less, can sign up for the six–month boot camp program at Toulson. And then you're home–free on parole.
>
> The program at Toulson is modelled on the U.S. Marines' boot camps and about half the instructors are former marines. It emphasizes discipline and accountability.
>
> So lifting a log isn't about lifting a log. It's about teamwork and overcoming adversity.
>
> And moving a rock pile isn't just moving rocks. It's about being responsible for your actions and putting effort into work.
>
> Toulson is a little different than other American boot camps, however.
>
> That's because, in addition to the strict military regime and physical training, inmates also get job training, schooling (more than 70 per cent receive their high school equivalency diploma before they leave) and strictly supervised probation.
>
> Boot camps without such measures find 50 to 70 per cent of their ex–cons end up back in the clink—the same rate as for conventional U.S. prisons where inmates can do whatever they want all day.
>
> According to statistics compiled by Toulson officials, only 20 per cent of inmates released from the boot camp have reoffended.

• (1720)

In light of those statistics—he has asked for suggestions—would that perhaps be something that Canada should be looking at to put some of the violent repeat offenders into a structure such as that one and hopefully we would have a better success rate than we have had in our rehabilitation programs of the past?

Mr. Duhamel: Mr. Speaker, I am pleased by the question and I shall attempt to answer it in a responsible way.

Initially there was a comment from the member's party indicating that my party was prone to attempting all kinds of programs without appropriate evaluations. Then this hon. member puts forth the suggestion of a boot camp in his question, a particular boot camp where supposedly there has been some success.

I would caution in taking one example only and extrapolating it to the whole of youth crime or the whole of Canada. Whether one calls it boot camp or an alternative way of serving a sentence or being socialized differently, certainly we can look at it and we should. I know this is happening in certain parts of Canada.

I deplore, and my colleague did not suggest it, when some members indicate that boot camps sound tough. It sounds as if we are doing something when we are not doing anything except for symbolic reasons. I think that is hypocritical. I stress again that my colleague did not suggest that was the reason, but in some cases it is hypocritical, political and has no intent but trying to respond to a group of people out there that believes it is the answer to all youth crime.

Another point I want to make is a very important one. I take issue with my colleague in this regard, at least slightly. I did not say that incarceration was not the answer. I say that incarceration needed to be the answer in certain cases to protect society. He can check the blues. I did say that.

I hope my colleagues will listen very carefully but I wanted to make a point—and I am delighted to be able to make it again because it is an important one—for those who suggest that we should simply put people into an institution and throw away the key. There are some people who suggest that because they do not know any better. They do not understand the situation. They keep hoping for simplistic solutions. I simply suggest to them that approach to incarceration, with that kind of motivation, is not the answer.

We have a greater responsibility toward our fellow human beings, whether or not we like them, whether or not they are offenders, and that is to try to find out what we can do in a responsible way to ensure that they are contributing members of Canadian society.

Ms. Marlene Catterall (Ottawa West, Lib.): Mr. Speaker, I appreciate the opportunity to speak today on Bill C–37 as it addresses an area of concern to me and certainly a matter of concern to my constituents.

The Minister of Justice has responded quite quickly to public concern about problems with the Young Offenders Act through the amendments he is proposing in Bill C–37. As the government has been doing with other important pieces of legislation, the public has been consulted widely on possible changes and improvements both before the bill was drafted and tabled in the House and subsequently in committee.

• (1725)

These amendments therefore are the reflection of wide public consultations and intended to respond to wide public concerns. That does not mean they will please everyone. Indeed critics have argued that they are either too harsh or too lenient. That usually means they are just about right.

The Young Offenders Act has had two purposes since its inception. One is the protection of society. The other is to interrupt the beginning of a criminal career and try our best to rehabilitate young offenders so that they do not become lifelong, hardened criminals.

In response to public concern the minister has amended the declaration of the principle of the act to make it clear that the primary objective of the youth system, however, must be the protection of society.

This can only be achieved if we have a real commitment as well to rehabilitation and to crime prevention. This means that for chronic serious offenders, judges are clearly authorized in the bill to have proper psychological or medical evaluations done.

It would be a tragedy, for instance, if young persons who might otherwise be entirely treatable, correctable and able to be put on a better path of life through medical or therapeutic help were simply to be punished and then released into society possibly to commit increasingly serious crimes as they become adults and lifelong criminals as they mature.

Increasing the sentences for first degree murder to a maximum of ten years and for second degree murder to seven years is something that I think has a great deal of public support. In making these sentencing changes the minister is addressing the need for sentencing for violent crimes that matches both the public's perception of the seriousness of the crime as well as the need to hold young offenders accountable for the damage their crimes have caused.

I do not mean only greater punishment but, again combining the two purposes of the bill, also more reasonable time for rehabilitation and counselling. Our party in opposition argued for these longer sentences simply because we knew there were

some young offenders, even those who committed violent crimes, who could be rehabilitated. It cannot necessarily be done in the five years that the act currently allows.

As well by transferring 16 and 17–year olds to adult court when they have been charged with murder, attempted murder, manslaughter, aggravated sexual assault and aggravated assault, we are sending a message to violent offenders that they will be held accountable regardless of their age.

There is still the ability nevertheless for young persons to apply to have their cases remain in youth court if the objectives of protection of the public and rehabilitation can better be met there. The onus is on young offenders to prove that exceptional treatment rather than adult court is merited in their case.

We can see that the amendments are improvements of the current system that allow for flexibility only in exceptional cases. They will also allow police officers, school officials and welfare agencies to share information on young offenders for the better protection of public safety. It says to our communities that while the interest of young offenders must be taken into account there are other important interests and concerns.

For youth who have committed less serious crimes, alternatives to custody should be considered as the bill would allow. I return to the second purpose of the Young Offenders Act which is to ensure, wherever possible, that young offenders are given the opportunity to develop a better way of life and not continue with a life of crime.

Let us turn to fitting the punishment to the crime. The bill allows for the kinds of alternatives to custody as a method of restitution for the victim, or some type of community service that may be far more productive than the more traditional approaches of incarceration.

• (1730)

These amendments as presented in Bill C–37 are not perfect solutions, nor are they the end of the process. They are improvements. They show Canadians that the government is serious about protecting their personal safety and their property. At the same time they offer the opportunity for rehabilitation where possible and feasible and for crime prevention.

Moreover, as the House is aware, the minister has asked the parliamentary committee of justice to undertake a thorough review of the Young Offenders Act. We realize that this is just a first step. This will provide the forum for additional changes and improvements to meet both purposes of the act, the protection of public safety and the rehabilitation wherever possible of young offenders.

These are issues that need to be addressed. We need to know why some of our young people are falling into criminal ways. We do need to examine the relationship between youth services and the Young Offenders Act.

A very recent study has indicated that a violent child of six will become a violent adolescent and a violent adult. Right now we do not have services in our country or in our communities that are nearly adequate to turn that young child's life around at the age of six rather than waiting until the age of 16 when they are damaging themselves and others in a far more serious way.

We need to understand how the government can attack some of the underlying causes of crime such as poverty, family violence and drug abuse. Members opposite may not want to acknowledge that sometimes somebody else is responsible for the criminal behaviour of the young person. In may cases, far more than they would like to know about, criminal behaviour is very directly linked to sexual abuse as a child. Much as they would like to simply put the burden of proof on that 12, 13 or 14–year old young person, we as a society have to take some responsibility for those among that population who were abused in a society that failed to protect them.

The members opposite mentioned certain ways of dealing with young offenders. I think we have to be more open and that is why a more fundamental review can look at other methods of treating young offenders while they are in custody or under supervision of some kind. It is only by addressing these more fundamental issues that we will make real strides in keeping our youth out of the justice system and turning their lives around where possible when they come into conflict with the law.

We need to look at every possible investment toward keeping our society a healthy place for children to grow up so that future generations are not looking on our youth as a problem, a source of violence and a source of fear to our citizens and to our society.

As I said, this is the first step in that process. It is not the end of the process. I look forward to the Reform Party supporting the progress that is being made in this bill and participating fully in the ongoing debate about further improvements.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, I suppose one concern of the Reform Party that I think has been fairly well expressed is the lack of success that the current YOA has had.

I wonder if the member could enlighten me on some things, for example the fact that 47 per cent of all cases where charges are made under the Young Offenders Act are for repeat offences; 19 per cent of all those charges are for the fifth offence under the Young Offenders Act.

• (1735)

In her judgment, what in the amendments is going to actually change that? What in the amendments is really going to work to

the resolution of that problem or do these amendments not touch the reality of the repeat offences?

Ms. Catterall: Mr. Speaker, I am not sure how those statistics compare with adult crime. However, what the member has just said is that 53 per cent of charges against young offenders are laid against first time offenders. They have never offended before. The fact that only 20 per cent have then gone on to offend more than twice is a fairly good indication to me that there is a reasonably high level of rehabilitation because of the act and the effect it has had since it was first implemented.

However, in the cases for which there is the greatest public concern, the kind of amendments that I think are going to make a substantial difference is for severe and violent crime, murder, assault, aggravated assault, sexual assault and so on, and the requirement to have the young person tried in adult court according to adult rules, the possibility of longer sentences, up to double what they are now.

I also feel that oftentimes when we do incarcerate young people we put them into a school of crime. We put them into contact with people who have been in the system perhaps more than once or twice, who are much more knowledgeable about crime and living off the avails or crime. That I do not think is a desirable situation.

I certainly believe in the requirement to look at non–custodial solutions, especially where the young person is being held directly accountable through compensation to the victim directly for the harm they have done or through community service to compensate the community directly for the harm that he or she has done to the community. Those are the kinds of measures, among others, that put a direct link between the crime that has been committed and the effects of that crime. To me that kind of discipline is a productive kind of discipline.

The Acting Speaker (Mr. Kilger): This concludes the period of questions and comments and also concludes this stage of debate. As we continue third reading of this legislation, members will now have a maximum of 10–minute interventions without questions or comments.

[*Translation*]

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, since June 2, 1994, when Bill C–37 to amend the Young Offenders Act was tabled, I have been unable to convince myself that the federal government is seriously trying to make those of us in Parliament and the people in Quebec and the rest of Canada believe that its proposed reform will increase public protection.

As you know, I have more than 21 years' experience in teaching and have learned to trust. I have learned that, in life, you have to offer a second chance. I learned this during all those years. The debate, this debate, is simply a public relations exercise by the government in an effort to reassure part of the population about its public institutions.

The reality is that the existing legislation contains all the provisions needed by the courts and crown prosecutors to give society proper protection. The problem is one of enforcing the provisions in the Young Offenders Act, and not a complete revision of it. In my view, changing the commas and periods in a text will not make it suddenly more effective.

Did the Minister of Justice first make sure that the existing Young Offenders Act no longer met the needs of the public and society before changing it? Did the Minister of Justice first take into account the many recommendations by the principal stakeholders?

• (1740)

Considering that most authorities concerned want more latitude in enforcing the current legislation, and not a repressive and intimidating reform of the act, why is the Liberal government nevertheless going ahead with its crusade against young people?

We can only wonder why the federal government made this one of its key issues. The Liberals' red book holds the key. In fact, the Minister of Justice is using his role in the government merely to keep a purely partisan campaign promise, without regard for its economic, social and moral impact.

It is these kinds of actions which, in my opinion, cause taxpayers to become disillusioned with politics. Such displays of disregard for institutions and the duty of the elected is revolting to the taxpayers of Quebec and the rest of Canada.

Furthermore, I do not believe that an act should be amended just because 30 per cent of the population believes that crime is on the rise and that offences are becoming more violent, especially when current statistics prove the opposite. How many times will we have to say it? We will never resolve the problem of violence in society by sending people to jail earlier and earlier on in life.

Longer and heavier sentences, lowering the minimum age for assuming criminal responsibility and extending measures available to repress young people will not resolve the problem either—they will have the opposite effect. The proposed amendments to the bill counter the ultimate goal: protection of society and of young people.

During the last election campaign, I had the privilege—and I mean privilege—of visiting a halfway house, where some 20 young men lived. I spoke with them for over an hour about their future and I left the place firmly believing that they deserved a second chance, even though they had committed reprehensible acts.

I think that the government should concentrate on crime prevention programs. That is where emphasis should be put, and

these programs are our greatest challenge. That is the approach that Quebec is taking, with great success I might add.

In consequence, the bill's main objective should be reintegration. A long term crime prevention program, with the aim of deterring young offenders from continuing to act in a reprehensible way, is what is really needed.

On this issue, Quebec is sending a clear message to Ottawa: "Let us continue to resolve our problems in the way we see fit without imposing rules to follow or amendments that may satisfy other provinces, but do not fit Quebec's experience at all". This is another area where I think Quebec is distinct.

Quebec has a rich experience. Those looking for inspiration need look no further than Quebec's Youth Protection Act. In addition, the work and reports of Quebec's Department of Health and Social Services are also good sources of information. Finally, studies have been conducted recently in Quebec. These studies, the tailor made protection, the jointly devised plan, and the protection of young persons, more than legislation, bring out the valuable experience and background of the Quebec system, as well as a number of problems to be resolved to ensure more effective enforcement of the act.

• (1745)

In Quebec, there is a well established consensus. The consensus in Quebec is that the principles and rights accorded to the child under Quebec legislation must be preserved, while at the same time stipulating the means of implementation and the adjustments required by social change and recent legislative reforms.

In regard to young offenders, Quebec's perspective and experience are diametrically opposed to the reforms proposed by the federal government. Quebec stresses rehabilitation while the federal government's proposals are repressive and hard-line. In other words, Quebec does not regard life terms with repeat offenders as a solution for young persons who are often grappling with serious family and social problems.

In conclusion, to ease matters the Minister of Justice could grant Quebec special status to allow us to preserve this credible experience in regard to protecting young persons and this moral and social duty towards young Quebecers.

[*English*]

Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.): Mr. Speaker, I am pleased to speak on these amendments to the Young Offenders Act. Like most communities, Guelph—Wellington is concerned about crime and the safety of our community. Its people welcome any initiative that encourages public protection and crime prevention.

Young offenders are not new. The House of Commons enacted the Juvenile Delinquents Act in 1908. The government of the day believed that youth were not to be treated as criminals. Rather, the act stated that they should be treated as misdirected children in need of aid, encouragement, help and assistance. It sought to save children through social intervention. Almost 90 years later we are still concerned with giving children aid, encouragement and assistance.

My community of Guelph—Wellington knows the importance of children. We pride ourselves in providing quality education and preparing our children for their future. Our industry is one of the finest in the country, built to withstand radical changes in the marketplace and designed to be the forefront of technology so our children can remain in our community and become active participants in our society.

They are concerned about deficit reduction, not for their sake, but so their children and grandchildren will not be burdened by our excesses. Like almost every community in Canada, we are concerned about youth crime. We know the majority of our children are good and live their lives free of crime.

However, others do demand our attention. We are concerned about them. Programs like Guelph Change Now, a crisis and counselling service for youth, and START from the Second Chance Employment Counselling, aim to help young people, some young offenders, in housing and life skills.

My community knows the causes of youth crime are many. It wants this government here and now to deal with the issues of family violence, poverty and illiteracy. It also wants us to respond now to its dissatisfaction with the current treatment of violent young offenders.

Last June 16, I attended a community forum sponsored by the Guelph Mercury. The forum dealt with the Young Offenders Act. During the discussion it became apparent that Guelph—Wellington residents are concerned with the prevention of crime. They want more respect for the law by putting emphasis on the home, in the schools and on preventing young people from becoming criminals. They also want more money spent on rehabilitation. This was a clear message I received.

• (1750)

Following the forum I wrote to the Minister of Justice and informed him that these people do not see the problem with legislation. Rather, they see the problem in the court room. They look at the courts as too lenient and so much so that our young people are no longer deterred by the sentencing. They ask me in this government to make sentencing tougher so that young people will realize that their actions will be punished.

This legislation today responds to their concerns. My constituents have asked us to increase sentences for teenagers convicted of first and second degree murder. They believe that five years is not enough.

They want more young offenders tried in adult court when charged with serious personal injury offences and they want improved measures for information sharing between professionals. They know that it is often too easy for a young offender to fit between the cracks because school officials, police and child welfare agencies sometimes do not share information when the public may be at risk.

At that forum and in letters and telephone calls I received from constituents, they recognize the need for rehabilitation services. They contact me seeking ways to improve the judicial system and I have heard from parents whose children disregard their authority because they believe that they can safely hide behind provisions of the Young Offenders Act. This is not right.

These children may lose respect for authority because they believe that our system is too lenient. Mothers worry that their children from a very early age have learned not to respect the law. These parents and in many ways their children have asked us to respond. It is a clear call for help.

Guelph—Wellington residents want stiffer penalties for young offenders who commit serious crimes. They want victims to be able to make a statement if they so wish about how crime has affected them and they want stricter controls over the young offender who is in the community while serving probation and a quicker response if a youth should break the conditions of that release.

They want the courts to have as much information as possible when a young offender is sentenced. Currently young offenders must consent to treatment. This legislation responds to my constituents' concern for an effective response to chronic and serious young offenders.

I have said before that my constituents demand excellence in many of my speeches. They want legislation passed by the House that effectively deals with their concerns and improves the quality of life for them and their families.

This bill betters the Young Offenders Act and enables it to deal more effectively with serious youth crime. The changes proposed in this legislation help further protect our community where you and I live. Their aim is to make young people more responsible for their actions while recognizing the special circumstances of their youth.

They respond to the concerns of people in Guelph—Wellington and elsewhere in order to make our community better. Sergeant Brent Eden of the young offenders branch of the Guelph police force described to the people who attended the forum on the Young Offenders Act as concerned with making things better, not just blaming the system, not just blaming the police and not just blaming the government.

These people know that this legislation will make things better. They have told me that the police support this legislation. That is what they want from this government, that it is what they demand from this government.

These amendments continue our goals of offering aid, encouragement, help and assistance to our children. The goals are simple. Punish those who commit the crime and help rehabilitate these young people so that they can contribute to our society.

We want tough legislation which gives a clear message. We will not tolerate murder, assault and other criminal acts. We want to help our young people but we will not accept certain behaviour. This behaviour will be punished.

During the last federal election I promised the people of Guelph—Wellington that I would support reforms to the Young Offenders Act. It was asked many times of me. They want things to deter young people from committing crime, something to provide real justice and to rehabilitate our young people to help them build better lives. This legislation and the broad review which will be taken by the Standing Committee on Justice and Legal Affairs does just that.

These deserve our support. These respond to the concerns expressed by my constituents and people across Canada.

In its own platform, the Reform Party promised Canadians adequate punishment for young offenders. I look forward to its support for this bill because it keeps that promise as well.

The majority of our young people know that hard work and education will be the key for their success. They want to contribute to making our country better and to be a part of the Canadian dream. They want children of their own.

For their sake and for ours, I will support Bill C–37 and call on this House to vote in favour of this bill; legislation that aids, helps, assists and encourages our children and our future.

The Acting Speaker (Mr. Kilger): It now being 5.55 p.m., the House will proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*English*]

ATLANTIC CANADA

Mr. Chris Axworthy (Saskatoon—Clark's Crossing, NDP) moved:

> That, in the opinion of this House, the government should consider the advisability of providing a fairer future for Atlantic Canada by adopting policies and programs to create jobs through initiative funds for co–operatives, encouraging small business, upgrading municipal infrastructures and diversifying single industry communities.

He said: Mr. Speaker, I begin by thanking the member for Moncton for seconding my motion. Basically, as the motion indicates, I am calling on the government to consider the advisability of providing a fairer future for Atlantic Canada by adopting policies and programs to create jobs through initiative funds for co–operatives, encouraging small business, upgrading municipal infrastructures and diversifying single industry communities.

Basically this motion is broad enough to include a major reassessment of government policy toward Atlantic Canada, a reassessment of whether those policies have been successful and an opportunity to consider maybe doing things in a rather different way.

What I will do is not spend too much time on the problems but put forward some ideas for solutions. I will draw upon the recent experience in Saskatchewan and British Columbia with regard to mechanisms for bringing together diverse groups in our society with the aim of building a vision for the future to which we can all be committed and to which we can then direct government policy and regulation.

Atlantic Canada has long been a region dependent on its natural resources and on the involvement of the public sector. Both have been allowed to decline as government policies and private sector decisions have conspired to create an environment that undermines long term development and sustainability of many of the communities and economies of the region.

The economic and political policies of the past that have resulted in the underdevelopment of the Atlantic region must be challenged and overcome. Policies that have promoted the export of unprocessed and semi–processed resources along with jobs that otherwise might be involved in that value added activity must be replaced with value added production and the skilled jobs that accompany those processes.

This will require the federal and provincial governments to be much more involved with the local communities in reaching this goal. Also we have to be cognizant of the impact of federal cutbacks over the last decade to the support structure of both rural and urban life in Atlantic Canada and be prepared to respond to those extra difficulties.

The future course of economic development must begin with the involvement of people in their communities working with their governments. This will require a new partnership with the federal government, the people, the communities and institutions; a partnership unlike any relationship that currently exists in Atlantic Canada.

In order to make that relationship work we must commit ourselves to some real and achievable goals. It should not be unreasonable to expect in Atlantic Canada that we move toward full employment; that we move toward a full opportunity economy which builds on the diversity of Atlantic Canada and ensures the full participation of women, youth, aboriginal people, visible minorities and people with disabilities.

• (1800)

It should be within our realm of opportunity to consider the importance of community involvement and the community control of economic decision–making. We should be building an economy based on environmentally sustainable economic principles. Nowhere other than in the Atlantic provinces have we seen the impact of not ensuring that our economic policies are environmentally sustainable.

We should be able to ensure the protection and the improvement of our social programs to support Atlantic Canadians in their times of difficulty between jobs and particularly now when we see that a major resource is simply not there to support the population as it did previously.

We need a new emphasis on co–operative development, an emphasis that places people and their communities ahead of corporate profit. We also need transportation systems that meet the needs of the regions so that products made within the region can effectively be moved to markets.

Atlantic regional development is not just about increasing incomes. Development is a process by which human capabilities and natural resources combine to fulfil social, cultural, political, psychological and material needs. This is a process in which increased self–reliance, independence of individuals, communities and the region are achieved by building on the strength that thrives on the interdependence of equals.

As someone who lived in Atlantic Canada for more than a decade, there are no more independent people in the country, wanting to work together for the benefit of all rather than work against each other so that only a few benefit.

Development can only be sustained if it strengthens the social fabric, building a consensus as to goals, values and means and focusing on increased productivity and the needs and potential of those in society, particularly the most disadvantaged. An integral component of real economic development strategy for

Atlantic Canada is the reduction of the inequity of incomes and the removal of the pain of poverty for so many of our citizens. It is clear from the writings of a wide range of economists that inequality of income is a major drain on economic growth.

These goals of building together will only be achieved if the process is from the bottom up, with people participating in the decisions that affect them. People in communities must recognize that they have a capacity and a responsibility to shape and direct the development process at all levels. That capacity and responsibility must be encouraged through the planning process and through the role that government plays.

The regional development policies of previous governments have always been controlled from the top down. Surely we believe that people in the community have the best interests of that community at heart. People who are rooted in a community have the most at stake in evaluating and encouraging sustainable development. It is critical that we use that resource, that understanding and that community commitment. We should support community economic development that gives communities a true sense of ownership and increases local control over the economy.

It has been very clear that allowing people to come in from outside, reap the profits and leave is a devastating strategy and one that has long term negative effects, not long term beneficial effects. As much as possible development should be owned and managed locally, be located within the community, provide work for local people, make use of local materials and serve community needs for products and services. The best types of economic development activities are those that maintain a community focus.

Let me make one more general comment with regard to this. If economic development is to work in Atlantic Canada it must pursue the principle of economic self–reliance. It is no longer possible in this country, if it ever was possible, to maintain industries and economic units that are no longer efficient. We need to pursue a principle of economic self–reliance, harnessing all of its resources to both determine and meet the needs of the people of Atlantic Canada. As I have said, that means the control of the resources and economic institutions must be much more firmly in the hands of Atlantic Canadians.

• (1805)

In order to ensure that community economic development objectives are met, one strategy would be to encourage the development of locally based community development organizations. They could represent all sectors of the community. Their function could be to oversee discussions, decisions and implementation of development projects.

This would ensure that the communities, in co–operation with the private and public sectors, would be instrumental in making decisions about the kind of development that would occur and would be able to ensure the community would benefit most from that development.

They could be coalitions of local, social, business, financial and labour organizations, as well as co–operatives and governments. They could perform the function of co–ordinating development within those various regions. They could be responsible for the allocation of whatever public funds might be available within those regions to ensure that those funds are used to the best possible advantage.

One very good example of how this could work is in Cape Breton. An organization called New Dawn Enterprises, which I have visited in the past, has assisted in developing a network of firms and facilities throughout Cape Breton. This development corporation holds assets of some $10 million and has become involved in a very wide range of activities from construction to real estate to care for the elderly. There are examples within Atlantic Canada we could learn from and utilize across the whole region.

Across Atlantic Canada there is a large, effective, efficient and responsive network of co–operatives we could also build on. Atlantic Canadians have built a co–operative movement which attests to their resilience and creativity in the face of adversity. Those co–operatives maintain jobs in the communities, provide services to the communities and provide local control to ensure that local needs are met. People have a stake in those enterprises and they often are more productive as a result.

It is necessary to ensure, at both the federal and provincial levels of government, that we remove any barriers to co–operative development and that we ensure and encourage the development of co–operatives across the region.

This is clearly an integral part of the development of Atlantic Canada. In the last decade, 1980 to 1989, small firms created 90 per cent of the new jobs in Atlantic Canada, while large firms saw reductions in employment capacities.

A report that was done by Enterprise Cape Breton found it was locally based operations which were the most successful. Projects that received $100,000 or less in the form of support had a success rate of 72 per cent, at an average cost of $23,000 per job, while those projects receiving $1 million or more had a failure rate of 71 per cent, with an average cost of $154,000 per job. The proof in Atlantic Canada is that it is small business that is going

to create jobs, and it is small business on which we should focus our activities.

The agencies that we have in operation in Atlantic Canada also need to be reconsidered. As I have pointed out they have not worked very well. Their support, in large sums of money, to large enterprises have not given benefit to the community as one would have wanted. However, support in small sums to small businesses have done so. We need to ensure that the Atlantic Canada Opportunities Agency really becomes an advocate for employment creation and economic development in the region and is not used, as it has been in that past, as a political slush fund. We need to reconsider and reassess the agencies that we use as arms of government in the development of Atlantic Canada.

I have talked about co–operatives but credit unions also have an important role in Atlantic Canada and we need to encourage them as well. I will give one example of a real success story to show how credit unions can really contribute to the economic development of the region.

In 1984, in Eagle River, Labrador, the Bank of Montreal closed its branch saying it was no longer a viable operation, which is a fairly familiar picture across Canada. With the aid of the Labrador Fishermen's Union Shrimp Company the community was able to establish its own credit union. In fact, it had the co–operation of the caisse populaire located in the neighbouring Quebec community. The credit union has been able to provide basic essential financial services to people in that area.

• (1810)

In the less than four years that this financial institution has existed it has provided more than $3 million in loans to local residents. It is a viable, profitable and locally owned enterprise, showing that credit unions can have a major role to play in the development of Atlantic Canada and across the country.

We should do what we can to support and nurture credit unions, especially those that are small and just beginning and need some support. There are many things that we can do. For example, governments could use credit unions much more than they do now as the depositories of funds or as their current accounts.

Much of Atlantic Canada is made up of single industry towns. Those are vulnerable communities, vulnerable economic units. Atlantic Canada is fortunate to have such resources in our communities but they must be managed by those who have the greatest stake in ensuring the long term viability of those resources in those communities, the people themselves.

Several resource based industries are in crisis and we should not tolerate that situation any longer. The most obvious of course is the fishery. Many of us today received representations indicating that a stock that had not been fished all that much in the past, turbot, is now under serious threat as a result of overfishing. It is important for Canada to exert its jurisdictional power to make sure that this resource does not go the way of the cod stocks which we all know so much about.

It is important for single industry towns, based on natural resources and non–renewable resources, to be much more effectively upgraded in the interest of the communities in which they operate.

I will not say any more about the fisheries. We all know what a disaster that has been. It is primarily a disaster because of federal policy mismanagement over the last few years, something we cannot do anything about now but something we do have to remember and treat as a lesson in the future.

The same sorts of concerns can be expressed about the forestry industry. In comparison to forestry industries in the rest of the world, a great proportion of forestry in Atlantic Canada is privately owned: New Brunswick, 49 per cent; Nova Scotia, about 70 per cent. This resource has not been used for the benefit of those living in Atlantic Canada but rather to benefit the corporations that control it and, which incidentally, pursue forestry practices that in their home countries they would not be able to pursue.

Therefore, we have to ensure that resource is also one for the benefit of the communities in question and for the benefit of Atlantic Canada. It must be developed in a way that is sustainable, to provide jobs and economic opportunities for Atlantic Canadians well into the future and ensure that young people from Atlantic Canada do not have to leave their homes in order to find economic opportunity.

In my last few moments I would like to make a quick reference to developments in two provinces and two resource based provinces which might be of use in considering how to develop Atlantic Canada. Let me first take the example of British Columbia and the arrangements that have been made there in order to develop the forestry industry.

We know that in the past there has been enormous tension between the forestry companies and environmentalists, between communities and environmentalists, the workers in the forestry industry and environmentalists. We know we have to resolve those differences.

What British Columbia did in a unique way was bring those different interests together and work with them to find a vision for the future of that region. Everyone made sacrifices and everyone gained. However, in the end there was a common vision adopted to which everyone could be committed and to which everyone could work. That is the clear focus. We have to change the way in which we consider economic development. We have to make sure we all work together to the best advantage of all.

• (1815)

I would certainly recommend that B.C. approach Atlantic Canadians and the federal–provincial governments, labour unions within the province, the business community, the communities themselves and environmentalists within Atlantic Canada. That should be pursued as a goal for economic opportunity development in the region.

Mr. George S. Rideout (Parliamentary Secretary to Minister of Natural Resources, Lib.): Mr. Speaker, as an Atlantic Canadian it is a pleasure to speak on this motion. The motion by the NDP member strikes to the core of what we are talking about in Atlantic Canada as we try to improve our lot and to become a have part of our country.

I would like to talk about the infrastructure program. I would also like to talk about my own community of greater Moncton. It shares some of the problems alluded to in the motion, particularly having a single industry. The Canadian National Railway employed upward of 5,000 people and will effectively close. What does that mean to a community such as Moncton and what we have been able to do both on our own and with assistance? I will quickly talk about the infrastructure program and then move on to my own experiences.

The infrastructure program is near and dear to my heart. In my other life as mayor and councillor of the city of Moncton, I had the good fortune to be on the Federation of Canadian Municipalities task force dealing with infrastructure. It was a program which was advocated for many years and it took the Liberal government to actually put it into effect. We are seeing massive benefits throughout the country, particularly in Atlantic Canada.

In my own riding of Moncton we were given roughly $4 million of federal funding for the infrastructure program. To date with the projects that we have on the go in our community, we are going to see an investment of roughly $30 million.

For a Canadian federal government program, seeing an investment of $4 million turn into $30 million is an investment and not an expenditure. That is why the infrastructure program works in Atlantic Canada. That is why it is of benefit.

I would like to refer the House to some of the things that are happening as a result of the infrastructure program in Atlantic Canada. These agreements represent a total federal investment in the Atlantic region of $181 million. That in turn will generate equal investments on behalf of the provinces and the municipalities for a total investment of $540 million into the Atlantic economy resulting from the Canada infrastructure program.

It is estimated that over 9,500 person years of employment will be created in the region, both on and off the project sites across Atlantic Canada. As of December 31, 1994 over 575 projects have already been approved in Atlantic Canada. This represents a total investment of $450 million in the Atlantic Canada economy and will create over 7,300 jobs in the region.

Projects under way under the infrastructure agreements in the Atlantic region range from installation and upgrading of sewer systems to rebuilding roadways and linking up public schools to the electronic highway.

More than 60 per cent of the federal dollars committed in the Atlantic region are for water and sewer projects. Almost 12 per cent of the federal investment is to construct and repair municipal roads. Another 16 per cent is committed for community based projects. High technology projects are also being supported and account for 4 per cent of the federal government contribution.

Those are all good projects, projects that really make things happen in Atlantic Canada. That is why the infrastructure program is a success.

We are looking for partnerships. We are looking for spinoffs associated with this program. That is what we have done in my riding of Moncton and what we have done throughout Atlantic Canada.

When we see an investment of roughly $200 million in Atlantic Canada spinning off to roughly $600 million and then going higher to $800 million and $900 million, this is an investment, not an expenditure.

We listen to Reform Party members on their position with respect to the infrastructure program but mind you, they still take the dollars when it comes to their ridings. When we listen to what they say about Atlantic Canada and where we should be, the Reform Party is of the view that the only solution offered to Atlantic Canada is to tell them to move. "Get them out of Atlantic Canada," is the Reform Party solution.

• (1820)

To quote the Reform Party again, its finance critic says: "The rest of Canada is not prepared to foot the bill for Atlantic Canada". There is no bill. We are making a contribution in this country. We are making things happen and the Reform Party's view is: "Tell them to move". Shame on them.

To quote the Reform Party's budget on page 34: "There would be some short term costs associated with fiscal retrenchment. These costs would come primarily in the form of adjustments that economic sectors and regions of our economy most dependent on government transfers would have to make". The code words: Atlantic Canada.

Going on to page 36: "Under the Reform budget, the short term employment impact of spending and deficit reduction is negative but manageable". It will not be manageable in Atlantic Canada if it goes through with its program to eliminate ACOA, which has created 42,000 jobs in its first five years and has stimulated major private sector investments of $2.4 billion.

ACOA pays for itself. It is an investment that generates $4.2 dollars of benefit for every dollar of public funding spent.

We are not prepared to sign on to the Reform Party budget that would see 65,000 Atlantic Canadians out of work over the next five years. We are not signing on for the principle that we should move somewhere else because Atlantic Canada, in my humble opinion, is the best place in all of Canada in which to live.

I want to talk about a community that has pulled itself up by the bootstraps. That is my community of greater Moncton. We experienced the upper Canadian and western Canada view that we should just shut down everything in Atlantic Canada. We lost Eaton's catalogue, Swift's and the Canadian National Railway Company. They were all major employers in our community.

We turned around and made investments in our community. We made investments in our downtown and in a new way of doing things. Arising out of those investments now is the fastest growing community in Atlantic Canada, greater Moncton. For the edification of the Reform Party *The Wall Street Journal* wrote about the community of greater Moncton: "It is the call centre for North America. It is the centre that is showing the way, the new wave of the new economy, to the rest of Canada and to North America".

An hon. member: They are not real jobs.

Mr. Rideout: They are real jobs. We are employing people. On top of that, we recognized that we were a bilingual community and that was an asset. We built on l'Université de Moncton, on the bilingual nature of our community. Now we are employing people and making things happen.

These people do not want to move. They want to stay in Moncton. They want to stay in Atlantic Canada. We even have people coming from British Columbia who now want to live in our community. We are seeing a migration to Moncton rather than away from it.

I say to Reform Party members: They should rethink their budget and their approach to regional development. Recognize that Atlantic Canada is a great place to be. It is going to be a have part of this country in the not too distant future because we are taking advantage of those investments this Liberal government is giving us. That is why we support this motion.

[*Translation*]

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Mr. Speaker, as the official opposition critic on regional development, I rise to participate in this debate on the motion put forward by the hon. member for Saskatoon—Clark's Crossing.

First of all, I feel that elected representatives from all parts of Canada are all concerned about economic development. This is extremely important under the current economic conditions, especially since we know that it is essential to create jobs to stop stagnating and start moving toward economic and structural development.

• (1825)

I am a little surprised by the motion. This motion respecting federal assistance for Atlantic Canada's economic development, which was put forward by my colleague from Saskatoon—Clark's Crossing, touches on, among other things, the importance of a better future for the Maritimes. This concern is quite commendable, in my opinion.

With all due respect, this motion reflects a certain lack of knowledge about the federal government's regional development policies and about Quebec's traditional demands regarding regional development.

I wish to state in this House my position on this motion concerning equity in federal contributions to Atlantic Canada's regional development. The Bloc Quebecois must, of course, show some opposition to such a motion.

Allow me in the next few minutes to elaborate on some of the reasons why Quebec must give priority to its own regional development.

The Atlantic Canada Opportunities Agency or ACOA is the federal government's main regional development agency in Atlantic Canada. The ACOA mostly deals with small business, helping to launch new ventures and modernize existing companies. On November 30, 1993, the federal government's contribution amounted to $865 million out of the total $1 billion budget forecast, or $431 per capita.

Until very recently, the federal government's main regional development agency in Quebec was the Federal Office of Regional Development—Quebec or FORDQ. Since the FORDQ was created in 1991, its mandate has been to emphasize long-term economic development and job creation.

However, given its limited financial resources, the FORDQ will pay more attention to small business by offering information and analysis services and promoting exports. This is a far cry from the basic principles of local development.

Under these circumstances, why would Quebec want to invest additional public funds in Atlantic Canada? On July 20, 1994, the federal government's share—close to $350 million—had still not been committed in Quebec. The total budget for the economic and regional development agreement is $1.6 billion, or, and this is the total budget, $64 per capita in Quebec.

In Western Canada, in British Columbia, Alberta, Saskatchewan and Manitoba, Western Economic Diversification Canada or WED is the main federal vehicle for regional development.

As of November 30, 1993, spending under these programs totalled $936 million. The ERDA provides for a budget of $1.12 billion or $160 per capita. That is, very briefly, what regional development looks like in Canada, and I want the hon. member to pay attention to these figures and this breakdown of federal regional development assistance.

There is no common standard for the West, the Maritimes and Quebec. The federal contribution to these agreements is $64 per capita in Quebec, compared to $160 in the western provinces and $431 in the Atlantic provinces.

So why should Quebec support a motion that would increase federal assistance to the Atlantic provinces, when some provinces seem to be more equal than others?

The 1993 and 1994 Estimates indicate that the federal government spends less on regional development in Quebec than anywhere else. In fact, the budget for the Atlantic Canada Opportunities Agency is $314 million, the budget for the Department of Western Economic Diversification is $238 million, and the budget for the FORDQ is $232 million.

However, the total population of these other provinces is less than the total population of Quebec.

• (1830)

In his last budget, the finance minister announced a cut of $70 million in the subsidies and contributions for the FORDQ. Quebec's regions are the big losers as far as federal funding is concerned. Since 1983, annual federal funding for regional development increased only 50 per cent in Quebec, but 250 per cent in the Maritimes and 300 per cent in the West.

In other words, through the federal government, Quebec funds regional development programs and policies it is not in a position to implement in its own regions. The 1993–94 budget for the Quebec Regional Affairs Secretariat is for $71 million, while Quebec's part under agreements concluded with the west and the maritimes amounts to $550 million, or 25 per cent of the $2.2 billion federal budget.

Ottawa's regional development policies are clearly discriminatory toward Quebec. If the amount Quebec receives from the federal government in transfer payments and for all kinds of national programs is approximately equal to the tax it pays to the federal government, this is among other things thanks to transfer payments earmarked for income security and the unemployment insurance program. In other words, for want of a true regional development policy in Quebec, the federal government is maintaining poverty and unemployment there. This is why Quebec is calling for and has for years called for the repatriation of all regional development responsibilities. The Bloc Quebecois therefore has no choice but to oppose a motion entailing an increase in moneys for regional development in the maritimes.

Regional development is of course not a distinct area of jurisdiction in the Canadian constitution, as a result of which Quebec is forced to engage in endless negotiations to arrive at agreements. Unfailingly, these agreements ultimately authorize the federal government to interfere repeatedly and awkwardly in regional development. It is interference. The regions in Quebec suffer from duplication of efforts in regional development matters and from the lack of consistency in government policy.

Which brings us back to what the present Liberal government is doing, namely structural duplication giving rise to considerable operating costs as opposed to real investments in development, as well as multiplicity of government parties involved which frequently results in confusion among regional stakeholders. Quebec has adopted an overall regional development plan, an overall plan for each of its sixteen administrative regions. This is why, and justly so, it wants to get back from the federal government the resources it should receive for regional development. Let us first establish fairness in redistributing federal moneys for regional development before broaching the subject of the gap between what Quebec and other regions in Canada receive.

[*English*]

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, it is a pleasure to speak to the motion. It was not clear to me in the original motion whether or not the suggestion was being made to put more money into Atlantic Canada. If that is the case we would oppose it.

There is much talk about what Atlantic Canada needs. The proposer of the motion suggested full employment. Whilst full employment would be good for Atlantic Canada, I suggest that it would be good across the country. However the full employment goal will not be achieved. Regardless of how much is spent in the country or how good the opportunities are, full employment is unachievable.

The presenter of the motion also said that regional development policies and programs have been managed from the top down. That is so. ACOA is a prime example. Western Economic Diversification is another example as is FORD–Q.

For labour and communities to co–ordinate how we are to improve the economy in Atlantic Canada is a good avenue, but it is also a good avenue to pursue right across the country. Co–operatives are in existence so these things can happen if the people want them to happen. That kind of activity does not need government intervention.

• (1835)

The mover of the motion suggested the fisheries problems in Atlantic Canada were a result of government bungling. We all know that to be so on both the east coast and west coast. That is unfortunate. The less government we have in the country the better off we will be. To try to increase government is not the way to go.

The proposer of the motion also suggested that young people should not have to leave home. While that again is nice to say, the reality is that young people leave home. Young people go where there is work. Young people leave home for various reasons. To expect young people to stay in Atlantic Canada any more than they do in the towns of Ontario, Saskatchewan, Manitoba or wherever is unrealistic.

I am quite impressed with the skills of the provincial governments in Atlantic Canada. Frank McKenna in New Brunswick impressed the nation with some of his moves to get business into New Brunswick. Clyde Wells in Newfoundland is also making good innovative approaches to improve its economy. That is what really needs to happen. It is up to the people themselves. I do not think the federal government necessarily plays a big role in this activity.

One of the real potentials I see in Atlantic Canada is the cost of land and housing. For example, young people growing up in the area I come from in the lower mainland of British Columbia cannot afford to buy houses or to buy land. It is just too expensive for them. I see the day when young people will be going back to the eastern part of the country. They will look to where there are appropriate housing costs. They will look to where they can buy land, live and raise families. The potential of Atlantic Canada will be much greater in the future because of the natural evolution of the country. As a result of the younger generation moving we will see jobs being created. In areas like the lower mainland of British Columbia we will see an outflow of younger people for that reason.

Where there are successes there are failures. We only have to look at some of the activities of ACOA to see failures in the nation as far as regional development and western economic diversification are concerned. It is a presumption of government that it knows best how to spend our money.

The minister responsible for ACOA recently said that there would be no grants. A lot of that came from the pressure we put on the government. As a result we now have ACOA giving out loans that basically FBDB should be giving out. Why ACOA is not cancelled today is difficult to understand. There are institutions in the country that can look after the affairs ACOA used to look after or the new responsibilities of ACOA. We need not have that bureaucracy in existence.

I look forward to seeing what the Minister of Finance will do next Monday with the operations of ACOA, Western Economic Diversification and FORD–Q if he is truly interested in making some positive changes in the country.

Atlantic Canada needs less government, not more government.

• (1840)

Owners of some businesses who receive grants, and they are the minority of businesses, will not say that. When we really get down to the people who are paying the taxes for the money going to those businesses, they are saying: "Look, we would rather have the money in our pockets. Create businesses and create wealth from our perspective. Don't give it to the friends of the recipients over there".

The hon. member for Moncton talked about infrastructure. He suggested that infrastructure was an investment and not a cost. I have the greatest of difficulty with that philosophy. The infrastructure started by the Liberal government came into place as a result of its commitment to jobs, jobs, jobs.

The Liberals said that they were going to spend $2 billion at the federal level and $2 billion at the provincial level if they chipped in. Also the municipalities were to throw in $2 billion. What was not acknowledged was that there was only one taxpayer paying this money. The government took over a $40 billion deficit, $40 billion of overspending, and then said that it would spend some more. It was going to borrow another $6 billion from taxpayers to start an infrastructure program to show the whole country it could create jobs.

Yes, it did. It created short term jobs. In the long run that is unhealthy for the country. It does not help at all. Only when we have a continuous infrastructure can it be of benefit to the country. We cannot have it continuously because we are borrowing too much money. We have too high a debt load.

It was patently wrong for the hon. member for Moncton to suggest that bad Reformers over here were treating Atlantic Canadians indifferently or incorrectly because they were against infrastructure. The fact is that the infrastructure is not good for taxpayers across the country regardless of what province they live in.

I trust the motion is not asking for more money. I trust it speaks to the fact that Atlantic Canadians can help themselves just like anybody else anywhere in the country. All the more credit to them.

If we want to look at ingenuity in the country we can look at Atlantic Canada where the provinces for years have had less money than many other provinces. They seem to dig down, dig deep, work hard, innovate and come up with answers that many of us across the country should be looking at and following. We should be using some of their initiative. Hats off to Premier

Frank McKenna. He is on the right track as far as any government in the land is concerned.

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration, Lib.): Mr. Speaker, it is with great pleasure that I rise to speak in support of the motion put forward by the hon. member for Saskatoon—Clark's Crossing who has spent some time in his past life in my riding of Halifax.

I thank him for his motion because it is refreshing to finally hear some understanding of Atlantic Canada being expressed by members on the other side. Also, the motion serves as an important reminder to government members as well as we enter into the final days before our budget.

The motion voices the belief shared by the vast majority of Canadians and promoted by the government that there is a vibrant future for Atlantic Canada and that it has much to contribute, as it always has, to the future of the country. Government has a role to play to ensure a fairer, more equitable and just future for Atlantic Canada by encouraging policies and programs to create jobs through initiative funds for co–operatives, encouraging small business, upgrading municipal infrastructure and diversifying single industry communities.

Never before has it been so important for government to provide the encouragement and framework for economic self–reliance. Given the current fiscal situation, government is faced with doing more for Canadians with ever fewer resources. Canadians expect their government to approach economic development with a keener business sense, expecting greater returns on their investment.

This is why the motion is so important. It underscores the innovative and productive ways in which the federal government, in partnership with the provinces, the private sector, communities and most important of all the people, can kindle and encourage the entrepreneurial spirit in Atlantic Canada.

• (1845)

It is also timely, coming as it does in the wake of the thinly veiled attack on Atlantic Canada by members of the Reform Party with the release of that manifesto yesterday. The Atlantic culture, its way of life, the vibrant entrepreneurial spirit, must be kindled, encouraged and recognized for what it really is: strong, proud and independent. Our national policies must reflect this reality.

Unlike the Reform Party, we cannot afford to base government policies on offensive stereotypes. The Reform Party in past comments by its MPs and in its manifesto on deficit reduction released yesterday attempts to propagate the ignorant stereotype that Atlantic Canada is a wasteland filled with dependent and enslaved welfare recipients and working stiffs who are a drain on the national treasury and economy, and the italics are theirs.

As an Atlantic Canadian I find these gross generalizations very offensive, but then again why should I expect anything different? We hear policies on women, on the family and on race that are a testament to the fact that the Reform Party prefers ideologically driven false assumptions. Sure, if stereotypes held true the world's problems would be a lot simpler to deal with but reality constantly confirms that they are not true.

When a regionally based political party from the west recommends solutions based on untrue stereotypes of a group of people who live in another region of the country we have the makings for divisive, dangerous and destructive debate.

Those of us from the region know that nothing can be further from the truth. By perpetrating these offensive stereotypes the Reform Party is attacking the very foundation of Atlantic Canada. It is maligning the region's hard working men and women. We must recognize that the people of Atlantic Canada are the key to economic development, the people who have lived and laboured and not only survived but flourished in this region over the last half millennium and longer in the case of our aboriginal peoples.

As elected representatives we have a responsibility now more than ever to promote and protect their interests here in Ottawa; their real interests, not those imagined interests seen through the lens of destructive stereotypes.

For the Reform Party the solution to Atlantic Canada is simple. It wants a government sponsored and enforced migration program. Again, this is confirmed in the document released yesterday and in statements made by members of its caucus. They advocate that UI and other benefits be dependent on the willingness to relocate.

The Reform MP from Capilano—Howe Sound is quoted as saying people should be moving to jobs and the rest of Canada is not prepared to foot the bill for the alleged dependency in the Atlantic region.

These approaches would make government a destructive force in the lives of Atlantic Canadians as opposed to a catalyst for economic and social development.

For that reason I would like to speak today about Atlantic Canada, about the diversity of its economy, the aspirations of its people and the real future that we in Atlantic Canada are working toward.

Members of the Reform would do well to listen and perhaps, although unlikely, learn something about the region. The government has a role and I would like to provide some examples of areas where we have been successful.

We in the government recognize that the people of Atlantic Canada are the key. I can think of no greater example of community based grassroots development initiatives than those of the co–operative movement which was founded in Atlantic Canada. It is recognized as one of the region's major economic players despite its modest beginnings. Today co–operatives are involved in financial services, insurance, consumer products, manufacturing, processing, housing projects and in various worker owned co–ops.

Their strength can be summarized in a few words: knowledge of the people and the community. Their innovation is reflected in some recent senior housing developments and the introduction four years ago of a venture capital funding instrument by the caisse populaire movement in New Brunswick, to cite but a few.

Experience in Europe and elsewhere demonstrates the amazing potential for this type of initiative to contribute to economic development.

Approximately 750,000 people, 30 per cent of the Atlantic population, are members of or use the services of co–operatives. Five hundred thousand Atlantic Canadians are members of credit unions and caisses populaires which administer $2.4 billion in assets in the region. They employ 2,000 people. Insurance co–ops have another 477 employees; consumer co–operatives, 2,400 employees. The major co–operative employer, however, is the producer co–operative, with close to 6,000 employees.

• (1850)

I want to stress that a co–operative is more than a business. Its raison d'être is the economic and social betterment of its members and the community. The human aspect takes a central role with the co–operative movement and this is a real asset. Approximately 11,000 Atlantic Canadians are employed in this system; a major employer by any standard.

In the area of small business we have great success in Atlantic Canada. It is the engine of economic growth throughout Canada, most particularly in the Atlantic region. Small business and the growth of new business is alive and well. The rate of small business start–ups has continued to grow. The number of small businesses, those with fewer than 100 employees, grew to 83,000 from 53,000 in the ten–year period from 1981 to 1991. The number of large businesses with more than 500 employees decreased marginally. We are experiencing an unprecedented increase in the business start–up rate and job creation in Atlantic Canada.

The number one priority of this government has been robust in the maritimes with the inception of the Canada infrastructure works program, a program which it seems is singularly difficult for the members opposite to grasp.

As of December 31 over 575 programs have been approved in Atlantic Canada, from installing and upgrading sewer systems to rebuilding roadways. This represents investments of $450 million and will create over 7,300 jobs in the region.

The government has made its number one priority to restore the dignity of Canadians by putting them back to work. This government received an overwhelming mandate from Canadians in every region to do just that.

The minister responsible for ACOA said recently that what is good for Atlantic Canada is good for all of Canada. I know that Reform members have difficulty with this. That is because they do not have a national vision and they do not share the Canadian belief that we must continue to work together in every region of the country toward economic and social development.

I am delighted to speak in support of this motion. I am delighted to stand in this House and explode some of the myths perpetrated about Atlantic Canadians by members on the opposite side. I am delighted to speak, in particular, about co–operatives, coming from the province of Nova Scotia, the home of Monsignor Moses Coady and Father James Tompkins, the fathers of the co–operative movement worldwide.

It is a proud thing to be an Atlantic Canadian. It is a great thing to be an Atlantic Canadian standing in this House representing other Atlantic Canadians. I invite members on the other side who do not seem to understand that pride, that heritage, that culture and that future to come see us. We will show you where the real world is.

The Acting Speaker (Mr. Kilger): There being no further members rising for debate and the motion not being designated as a votable item, the time provided for the consideration of Private Members' Business has now expired, and the order is dropped from the Order Paper pursuant to Standing Order 96.

ADJOURNMENT PROCEEDINGS

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

DAIRY FARMERS

Mr. Jean–Guy Chrétien (Frontenac, BQ): Mr. Speaker, the United States is getting ready to encroach on an area and our farmers are not at all happy about it. In Quebec, farmers know what supply management means.

In December 1993, I participated in an information session put on by the UPA in Beauce. The meeting was held in Saint–Georges. We were told, with input by Yvon Proulx, senior economist at the UPA, that, under the GATT, we were going to

have to drop milk quotas, which would be replaced by import tariffs. These import tariffs would be so high that they would prevent, to all intents and purposes, the entry of supply management commodities, such as dairy products, eggs and poultry.

• (1855)

Both the farmers and I were sceptical, but the UPA kept on repeating that the freshly elected Liberal government had given guarantees.

However, Canada and the United States each have their own interpretation of the FTA and NAFTA. On the one hand, we have Canada, which claims that converting import quotas for dairy products into tariff equivalents, as the GATT agreements stipulate, takes precedence. On the other, we have our American friends, who claim that NAFTA prohibits the use of tariff equivalents.

Yesterday, the Prime Minister assured me "from one Chrétien to another" that he would bring the issue before a WTO panel if the Americans did not stop pestering Quebecers and Canadians. Today, I would like to remind the government that, under the GATT agreement, Canada's agricultural tariffs for each commodity will be reduced by 36 per cent over six years, with a minimum reduction of 15 per cent per commodity. That is what was promised to farmers in order to let the GATT be passed, in December 1993.

By July 1995, therefore in a few months, the tariffs should be as follows, to quote a few: butter, 351 per cent; cheese, 290 per cent; powdered milk, 250 per cent; chicken, 280 per cent; eggs, which have the lowest tariff, 192 per cent; milk, 283 per cent and ice cream, 326 per cent.

These high tariffs will protect producers in Quebec and Canada for several years to come, despite tariff reductions of 15 per cent to 36 per cent over the next six years.

The important thing for our farmers is not to produce but to secure markets for their products. That is why this government must stand up and show once and for all that, under section 309 of NAFTA, Canada can invoke section XI of the GATT agreement to protect its agricultural industry. I hope that this government will show more backbone than it did in the durum wheat dispute last summer.

Supply management is nothing new in Canada. In fact, dairy products have been supply managed since 1972. There were then 17 cows in the average dairy herd, compared with 48 today.

We must remember that, in 1971 and before, farmers had a little bit of everything. They used to keep three or four pigs, one or two horses, beef and dairy cows, sheep, chickens; it was almost a zoo.

Today, our farmers specialize in pork, dairy, poultry and other products. We asked our farmers to specialize in order to become competitive and they took up the challenge. To meet this challenge, they must have a decent income and know how much they can expect to receive in 1995 and 1996, and not a widely fluctuating income. Supply management offers dairy producers some income stability.

• (1900)

I know that my question will be answered by the hon. member for Prince Edward—Hastings on behalf of the Prime Minister, but I hope that he will take these demands under consideration. I know that the hon. member for Prince Edward—Hastings is very familiar with all agricultural sectors and that he, too, is very sensitive to farmers' concerns. I, for one, can tell you that farmers would never have agreed, in December 1993, had they known that this import tariff agreement would be so fragile.

[*English*]

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food, Lib.): Mr. Speaker, I thank the hon. member for his comments tonight. I can assure him that we heard what he has said. We heard what his representatives have said and we heard what the supply management industry has said.

Yesterday the hon. member asked the Prime Minister whether he plans on telling President Clinton that Canada has no intention of negotiating bilaterally any reduction in the tariff equivalents that were negotiated in the Uruguay round and then implemented by Canada.

As the Prime Minister stated very clearly in his response to the member, our application of tariff equivalents on supply managed commodities that were negotiated in the Uruguay round is fully consistent with our rights under both GATT and NAFTA.

We are satisfied that our legal position is sound and we will continue to hold firm on our position. This message will be conveyed to President Clinton by the Prime Minister during President Clinton's visit to Canada and to this House to speak tomorrow. The Prime Minister, as we know, will be meeting with President Clinton for the next two days.

During the FTA, NAFTA and multilateral trade negotiations, Canada's position was that we would not make any concessions that would undermine supply management. This position is reflected in all those agreements.

Tariffication was a central issue during the Uruguay round. It was clear that these tariff equivalents would apply to all imports, including those from the United States.

The United States has requested consultation and it should be seen as just that; a request to meet and discuss the issues. It is the first step in the dispute settlement process. If the United States so desires, it may eventually seek to resolve the issue by way of a panel under either NAFTA or the WTO or as it is otherwise

known, GATT. This, however, does not preclude Canada from requesting a panel in either NAFTA or the WTO, if we so desire.

I would like to point out again to the member that the Prime Minister met with the representatives of the Canadian Federation of Agriculture, including representatives from supply management agencies, and including the president of the UPA who was present at that meeting on Monday of this week.

He indicated very clearly that Canada has a strong, legal case and that Canada would ardently defend its rights regarding the tariffication of import measures on supply managed commodities.

JUSTICE

Mr. Benoît Serré (Timiskaming—French River, Lib.): Mr. Speaker, I welcome the opportunity to expand on my question today to the Minister of Justice on family violence.

When I talk about family violence I am not talking only about violence against women. I am talking about violence against the elderly, violence against the handicapped, violence against children, and yes, sometimes violence against men. I am not talking only about physical abuse or physical violence. I am talking about mental abuse, emotional abuse, sexual abuse, and sometimes financial abuse in terms of dependency.

I have held two forums on family violence in my riding. They were attended by about 80 presenters from all walks of life, such as from the mental health field, family law, crown attorneys, police chiefs, counsellors, educators, and victims of violence.

One thing that came through very loud and clear from the forums is that there is definitely a lack of awareness in our society on family violence. There was consensus that as a government we have to do something to make Canadians aware of the gravity and the prevalence of violence in our society.

• (1905)

A lot of questions were asked. For instance, when there is a family violence situation, why do we remove the victims and the children and put them in a shelter and the abuser or offender is free?

I believe, as was the consensus during the forums, that there is a real need to conduct some national forums on family violence. The purpose of those forums would be to create awareness. In my next householder I intend to give numbers to assist people in knowing where to find help. A lot of victims do not know where to turn, especially in the rural areas of Canada.

During the course of my forums the media: radio, television and newspapers talked about them. Many victims came out of the woodwork to seek help. If we can create awareness by the forums, we will have achieved at least part of our goal.

The second goal of having such forums would be to develop, in consultation with all parties involved, a set of recommendations. What changes can we make to the Criminal Code to prevent family violence? What changes can we make to the administration of justice? What support programs can we implement, not only for the victims of family violence but also for the offenders?

I can already hear members of the Reform Party saying that this is going to cost money. These forums can be organized in a very cost effective manner. All we actually need are two co–chairs, preferably a man and a woman, a support staff from the justice department and perhaps from the minister for the status of women. We could ask members in each riding to look after the logistics of organizing the forums, to advertise and to find a venue.

We would need only a very small travelling budget for three or four persons and maybe have 20 or 25 of those forums across the country. A small amount of money like that would be well spent in protecting our children, our elderly and the lives of women in this country.

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the Minister of Justice shares the hon. member's concern and commitment to addressing the serious problem of family violence.

Recent examples of the justice minister's commitment include Bill C–42 which was proclaimed on February 15, 1995 and amended the Criminal Code peace bond provisions to help prevent acts of family violence before they occur. These amendments will allow police and others to apply on behalf of persons at risk of harm for a peace bond. They will also enable the court to specify the conditions that can be imposed as part of the peace bond including, for example, prohibiting the husband from being at or near the family home or from communicating with his wife.

These amendments also make the breach of a peace bond more serious by making it punishable on indictment and liable to imprisonment for a maximum term of two years instead of the previous summary conviction maximum of six months.

Another example is Bill C–41 introduced on June 13, 1994 which proposes sentencing reforms and would make the abuse of a position of trust or authority in the commission of an offence an aggravating factor in sentencing.

On February 14, 1995 the Minister of Justice tabled Bill C–68 which proposes significant reforms to control firearms. We know for instance from the Statistics Canada spousal homicide survey that between 1974 and 1992 a married woman was nine times as likely to be killed by her spouse as by a stranger and that 42 per cent of women killed by their spouses during this period

were killed with guns. These firearms' proposals will provide a clear and effective response to prevent such use of firearms.

The Minister of Justice also acknowledges the importance and value of consulting with Canadians. Public consultations provide the government with invaluable insight into various issues.

A recent example of the value of such consultations is the June 1994 national consultation with women's organizations on violence against women issues which included family violence. This national consultation was co–hosted by the Minister of Justice, the Minister of Health and the Secretary of State for the Status of Women.

These existing efforts to address family violence by the federal government will help to protect women, children and seniors who are the primary victims of family violence. The individual efforts of members such as the hon. member's public forums will clearly contribute to the national capacity to better understand and respond to family violence.

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 38, the motion to adjourn the House is now deemed to have been adopted. Accordingly, pursuant to order made Thursday, February 16, this House stands adjourned until Friday, February 24 at 10 a.m., pursuant to Standing Order 24.

(The House adjourned at 7.11 p.m.)

HOUSE OF COMMONS

Friday, February 24, 1995

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

ELECTORAL BOUNDARIES READJUSTMENT ACT, 1995

Hon. Alfonso Gagliano (for Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.) moved that Bill C–69, an act to provide for the establishment of electoral boundaries commissions and the readjustment of electoral boundaries, be read the second time and referred to a committee.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I am pleased to rise in support of second reading of this bill.

Under the procedures the House adopted a little over a year ago, we changed the rules with respect to the drafting of bills. As I indicated in my speech on the concurrence in the report of the Standing Committee on Procedure and House Affairs on February 9, this bill has been drafted by the committee and has now been introduced by the government in response to the committee's recommendation which was adopted by the House.

The order of the House constituted a direction to the government to bring in this bill. The bill is in substantially the same form as what the committee recommended. There have been some minor changes in technical aspects of the language and one earth shattering change that brings the bill into force on royal assent rather than on the date of proclamation. That I am sure has not upset anyone. It is a very minor technical change and one that the committee considered but opted for what it thought was the more convenient. It turns out that the government felt the other was more convenient and made the appropriate change in the bill.

I am looking forward to the study of this bill in the committee on procedure and House affairs.

[*Translation*]

At our meeting this week, the Leader of the Opposition indicated that the Bloc Quebecois would like an opportunity to speak during second reading of this bill. We accept their request and hope that today's speech will mean a saving in time later on during consideration of the bill.

This is why we are allowing the debate today, although the Standing Orders do not provide for debate at the second reading of a bill, as a general rule.

[*English*]

I am happy to have agreed to the debate today. I look forward to the speech of the hon. member from the Bloc who will be speaking on this matter. I recommend the bill to the House as I did on February 9. As I said everything that I think could be said about this good bill on that date I see no need to prolong my remarks today. I support the bill and invite the House to do the same.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, it is an honour for me to speak on behalf of the official opposition, the Bloc Quebecois, a sovereignist party in Ottawa, on a matter of such importance as Bill C–69 entitled an Act to provide for the establishment of electoral boundaries commissions and the readjustment of electoral boundaries.

Why is it an honour for me to speak at this stage? Because, once again, and I invite the government to listen carefully, I have the opportunity to defend the interests of Quebec, so long overlooked by the system.

• (1010)

Furthermore, I have another opportunity to express one of Quebec's traditional demands in this House. I have another opportunity to criticize the big guns in the system and attack the positions held by those across the floor for whom Lord Durham's report would still appear to be bedtime reading. The strategy, of course, has changed. The federal government has become more sophisticated. Things are more subtle now. Gone are the days of the great exploits to assimilate Quebecers.

The approach now is to chip away at Quebec's rights and political weight whenever possible in order to better mix Quebecers in with the masses in English Canada. Bill C–69 is a fine example of this. I must say, though, that this bill is not all bad, on the contrary.

I am delighted by the amendments proposed to improve the mechanism for readjusting electoral boundaries. The main amendments are as follows. Changes to the electoral map following a decennial census will be adjusted five years later in order to avoid too much upheaval in electoral districts. Electoral districts may vary by some 25 per cent from the provincial quota. This is fine.

The provincial commissions will be required to get public input before starting their work. This is fine too. The provincial commissions will have to consider community of interest, the size of each district and foreseeable geographic changes in determining electoral boundaries. Finally, the provincial commissions will have to produce three draft maps and hold new hearings, as required.

These proposals are acceptable, perhaps even necessary if we do not wish to be faced with aberrations again, as with the planned new districts. Without dwelling too much on details, I would like to cite the example of the riding of Berthier—Montcalm which I have the honour of representing. During the last thirty years, this riding has been called successively Berthier—Maskinongé, Berthier—Maskinongé—Lanaudière, and finally the present designation of Berthier—Montcalm. If the proposed electoral division or redistribution plan had gone ahead, I do not know what new designation the devisors of the system would have come up with. If things went as planned, the riding would hardly have been recognizable.

Regional county municipalities would have been divided, natural business and service communities split up; one municipality would have been attached to a neighbouring riding with which it had no affinity, with absolutely no regard for the region's history, all in the interest of numerical consistency and uniform representation. In fact, it was the very epitome of Canadian federalism.

Several members of this House opposed this readjustment of electoral boundaries and rightly so. We were not dealing with apples and oranges. On the contrary, the very essence of the riding and its historical baggage were at issue here. Thus, it was necessary to be realistic, practical while at the same time ensuring that the member of Parliament could be efficient in his work. Unfortunately, legal provisions applicable in this regard did not allow for this rational redistribution.

The report prepared by the Standing Committee on Procedure and House Affairs included a number of elements and proposals for improving the representativeness and boundaries of electoral ridings. This is why the Bloc Quebecois was in favour of the preparation of this report. Many ideas were put forward, specifically the official opposition's proposal to include in this legislation a mechanism allowing Quebec to keep 25 per cent of the seats in the House of Commons. Clearly, we could not in good faith vote against a traditional demand made by Quebec. The Bloc Quebecois regarded this as a fundamental element of this report and that is why we supported it.

However, the government is as usual systematically refusing to examine Canada's duality. It is postponing studying another traditional demand of the people of Quebec and is doing absolutely nothing to try to find a solution to the demand made. The bill resulting from this report includes only a tiny portion of its proposals. Indeed, Bill C–69 does not mandate a parliamentary committee with finding a solution to the problem of the erosion of Quebec's representation in the House of Commons. Worse still, Bill C–69 does not provide any guarantee whatsoever that the decline in the number of Quebec members in the House of Commons would be stopped. On the contrary, this bill maintains the formula set out in section 51 of the British North America Act, which weakens Quebec's influence within federal institutions.

• (1015)

Until Quebec decides on its future, and undoubtedly, it will vote in favour of sovereignty, you will understand that it is of the utmost importance that it maintain adequate representation within those institutions.

History has proven that despite the senatorial clause and the grandfathering clause, for the 127 years since it was founded, Quebec has been and still is the only province to have a smaller number of members of Parliament than it should get under representation by population.

Ontario, in contrast, was granted several extra seats at the beginning of the century. This eloquently demonstrates once again the double standard, and two occasions where the federal government has shown favouritism towards English Canada. Why should this surprise us; the tower of Pisa also always leans to the same side.

In this bill, the House fails to acknowledge that there are two founding peoples. The central government has been trying to forget this fact for 127 years too. Must I remind the House that Quebec is home to one of Canada's two founding peoples; Quebec is the cornerstone of French culture in the Americas; Quebec has its own separate culture; Quebec is the only French society surrounded by a sea of English; Quebec deserves and has legitimate claim to 25 per cent of all of the seats in the House of Commons.

Mr. Boudria: Is that what you think of francophones outside of Quebec.

Mr. Bellehumeur: In fact, this last request is not new. I know that I am probably frustrating members opposite by confronting them with the truth this morning—

Mr. Boudria: You are right, francophones outside of Quebec are frustrated, because of what you are saying.

Mr. Bellehumeur: Nevertheless, I would ask the hon. member to listen to me a while longer.

Mr. Boudria: Once again, you are abandoning them.

Mr. Bellehumeur: Just listen, Mr. Whip.

In fact, this is not a new demand, it is one that we have always made. But, once again, I am only repeating to the members of the House of Commons what the Bloc Quebecois has pointed out time and time again within these walls and what politicians from Quebec, even some of the most timid Liberals in your ranks, have been clamouring for too long.

The government would like the official opposition to vote for the bill, even though it all but ignores Quebec's demand.

No, members of the Bloc Quebecois will not help the government disregard one of Quebec's legitimate demands. We are here to defend Quebec's interests, and in the interests of Quebec, we must vote against this bill.

Mr. Boudria: But you voted for it in committee.

Mr. Milliken: This is unbelievable.

Mr. Bellehumeur: I can already hear government members mention in this House that the only way to guarantee Quebec a minimum of 25 per cent of the seats in the House of Commons is to amend the Constitution. At best, this amendment would be subject to the rule of the seven provinces or 50 per cent of the population or, at worst, to the rule of unanimity.

This is a smokescreen and a constitutional disinformation campaign.

In 1985—and I would urge the people across the way to listen—the principle of proportionate representation in the House of Commons stated in section 42(1)(*a*) of the British North America Act was altered indirectly and very subtly through a simple act of Parliament.

An hon. member: We did no such thing. This is nonsense.

Mr. Bellehumeur: Through a simple act of Parliament.

By guaranteeing some provinces a minimum of seats on the grounds that a province cannot lose seats, they altered the principle of proportionate representation in 1985 by passing this simple act of Parliament. Was this act challenged? Yes, Mr. Speaker. Was it invalidated? No, Mr. Speaker.

In the case of Campbell v. Canada (1988) 49 DLR, 4th edition, page 321—they can write this down as good reading material—the British Columbia Court of Appeal pointed out that the protection of representation despite the decline in a province's population does not affect the principle of proportionate representation and therefore does not require amending section 41(1)(*a*) of the British North America Act.

Mr. Boudria: That is clear.

Mr. Bellehumeur: We have a double standard, Mr. Speaker. That, too, is clear. One law for English Canada's demands and another for Quebec. That, too, is clear. But you will not hear that from the people across the way.

• (1020)

With that precedent, the government will tell me once again that it could not guarantee Quebec a maximum of 25 per cent of the seats in the House of Commons under Bill C–69? No, the Quebec people are not fooled and will soon render judgment.

Therefore, Mr. Speaker, please note that the official opposition, proud defender of Quebec, cannot support a bill which does not provide any way to counter Quebec's loss of political weight in this House.

Bloc Quebecois members refuse to accept the gradual erosion of the power held by those representing one of Confederation's two founding peoples.

Mr. Speaker, do not ask us to go against our demands or vote against the interests of the Quebec nation. As you can understand, we will vote against this bill. I invite those who say that the bill is consistent with the report to read both the report and the bill. They will see that there is a difference.

I understand their wanting to close their eyes, their unwillingness to give Quebec its fair share of seats in this Parliament. I understand that their only goal is the assimilation of Quebec, pure and simple. What better way than to start with the House of Commons, so that francophones and Quebec cannot defend their interests in this House. That is why we will vote against this bill.

[*English*]

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, it is a bit of a surprise to be debating Bill C–69 this morning, but it gives me another opportunity to outline some of the problems and dangers contained in the redistribution bill.

The bill is the government's justification for wasting about $5 million of taxpayers' money in the previous readjustment process that has to be repeated now because we are reimplementing it. The government feels that the changes introduced in the legislation are excuses for the more than $5 million wasted by scrapping 11 months of work by the redistribution commissions.

The government is keen to get the bill passed as soon as possible so that the new boundary rules will be in place in time for the next election. That is the way it should be. It realizes that

its unprecedented suspension of the democratic process might have caused the next election to be contested under the old boundaries based on the 1981 census. This would have put government members in a very tenuous constitutional position, not to mention having faces as red as their infamous book.

The entire debacle that began with Bill C–28 and continues with Bill C–69 has put the Liberals on very shaky ground when it comes to a politically neutral election process. The government obviously feels that Bill C–69 excuses its tampering with the electoral process. Bill C–69 fails to live up to all these claims.

Also very interestingly my friends in the Bloc have finally come to the realization that there are some problems with Bill C–69. I say finally because all through the meetings of the procedure and House affairs committee members of the Bloc seemed happy with the direction and contents of the draft bill proposed by the committee. The draft bill had been introduced by the government as Bill C–69. The Bloc presented no dissenting opinion to the Liberal report presented to the House.

On November 22, when Reform members indicated that a minority report or a dissenting report would be included, the Bloc Quebecois declined the opportunity to dissent to what the government was pushing through and voted for every clause of the bill that now appears as Bill C–69. That party was instrumental in defending the need for a 25 per cent variance. I find it peculiar that the Bloc would all of a sudden push for an unusual debate at this stage of the process. I have to wonder why it favoured the report and everything in it at committee but is now rushing to oppose the bill at this point. It seems to be a rather odd position to be taking.

It is clear the crux of the Bloc's concern over Bill C–69 is the matter of guaranteeing Quebec 25 per cent of the seats of the House of Commons regardless of population. This is obviously an undemocratic position. The make–up of the House has always been based on the principle that all Canadian citizens are equal. Equality of voting power is fundamental to Canadian democracy. I do not understand why any party would advocate giving some Canadians more political power than others. The words and actions of Bloc members on Bill C–69 betray their true motives and values.

• (1025)

To demonstrate how unviable that kind of approach is, one need look no further than my province of Saskatchewan. In the early 1920s Saskatchewan was Canada's third most populous province. At that time Saskatchewan had 21 seats out of a total of 225 in the House. If we were demanding to have our historical proportion of seats today, Saskatchewan would need 28 seats in Parliament as a result of the upcoming redistribution rather than the 14 we now hold.

In order for Saskatchewan to have more than its fair share of seats in the Commons, other provinces must get less than their fair share. I wonder which provinces would currently be willing to give up seats for Saskatchewan. Fourteen extra ridings have to be found, so more than one province would have to share the burden.

Would the extra seats come from Ontario which already has many ridings with well over 100,000 population? How about B.C., the province with the fastest growing population and the one most in need of the greater share of seats in the House? What about Quebec? Would our friends in the Bloc be willing to give up some seats in Parliament so that Saskatchewan could reclaim its historical share of seats in the House? I think not.

Is Quebec more special than Saskatchewan? I think not. Is Quebec superior to Saskatchewan? I think not. Is Quebec inferior to Saskatchewan? Does it need more seats to get representation in the House? I think not. Quebec is equal partners with all provinces in Confederation and the laws of the land must indicate that principle.

The reason that Saskatchewan does not have 28 seats is that population patterns have changed. It is a fundamental part of Canadian reality that other parts of the country have grown more rapidly than Saskatchewan. As a result our share of seats in the House have gone down. People in Saskatchewan accept this because it is sensible and fair. If population patterns change again our share may go up.

Why is the Bloc asking for the allotment of seats to the House of Commons on any other basis than population? To entrench such a principle in law would be dangerous. It would also create ill will, resentment and all kinds of representation problems we already see today. Provisions like the senatorial clause and creating provincial floors have led us to some of the dilemmas we face in the House and the problems created in the Senate.

As we can see, the idea of claiming a certain proportion of seats regardless of population creates many inequities. It is unfair, discriminatory and lacks common sense. I do not buy the argument that more seats in Parliament are necessary to preserve Quebec's language and culture. Quebec has a rich history and has special cultural values and traditions. I am glad it is part of Canada. The people who can do the most to foster the French language and culture in Quebec are the people in the Government of Quebec.

If the provincial Government of Quebec were given the authority and responsibility for language and culture with no interference from Ottawa, the threat or perceived threat to that culture would disappear. That would be a much more constructive way to solve the cultural issue. Taking representation and therefore political power away from other provinces would lead to resentment and ill will from the other provinces of Canada, not to mention that more MPs by themselves would not have much of an impact on cultural considerations.

Guaranteeing Quebec or any other province a certain proportion of seats would only add to the problem of the size of the House. Not dealing with the growth in membership in the House is a major flaw in Bill C–69. My Reform colleagues and I have spoken often about the need to reduce or cap the size of the Commons. We have demonstrated how the number of MPs can be capped and reduced. It is clear that the Liberals have no interest in limiting the size and cost of this place.

After only one short year the Liberals are showing their true colours. They like big government, big cabinets and big spending. I have no problem with the appointment of a new Minister of Labour. I am sure she is a very fine person and very capable, but there was no corresponding demotion from cabinet when she was appointed. The pretence of frugality is slipping away from the government. First the cabinet grew by the appointment of the Secretary of State for Parliamentary Affairs and now has increased even further with the new Minister of Labour.

• (1030)

The Liberals are increasing the size of cabinet while cutting the civil service. They are increasing the size of the House while not properly reducing the MP pension plan. They will increase taxes while cutting frontline services to Canadians.

The old spectres of Liberal elitism and political self–interest are reigning supreme at the expense of rank and file Canadians. Liberal elitism and favouritism can manifest itself again with the inclusion of a schedule of special ridings as provided for in this bill.

The bill makes reference to the schedule but offers no guidelines or rules as to how one is to be created. It simply states that ridings can be added to the schedule by an act of Parliament. This means the government alone can decide who gets on the list and who does not. It is possible for the Liberals to place virtually all their ridings on this schedule. Every sitting MP and every party organization would like to contest elections with boundaries they have already won with.

Establishing a loosely defined schedule of ridings exempt from the rules of redistribution, rules that are designed to ensure fairness and neutrality, makes the possibility for gerrymandering endless. The way the provisions for the schedule are worded in this bill, the government would have complete control to play politics with boundary redistribution.

Imagine what former Prime Minister Brian Mulroney could have done with this kind of provision. Constituencies would have been scheduled all over the map. Our constituency redistribution system would have been taken no more seriously than appointments to the Senate.

The current Prime Minister can now do the same should this pass without the necessary amendments. He will have the power to create special Liberal safe seats all across the country. In no time we would see ridings like Labrador or perhaps Prince Albert—Churchill River in Saskatchewan being scheduled. The irony is that if the Prime Minister pushes his Liberal arrogance this far, there will be no such thing as a Liberal safe seat.

Bill C–69 fails to place a limit on the number of scheduled ridings. When the Liberals get carried away with their new powers under this bill and schedule too many ridings in the same province, they will discover they have created all kinds of headaches for the boundary commissioners. In many cases the presence of scheduled ridings will make effective redistribution impossible, as more fixed lines will severely limit the options available to the cartographers.

I suspect that Parliament would have the legal power to remove a riding from the schedule, but politically it would be extremely difficult to do so, especially for the Liberal government.

What would happen if a northern riding that was on the schedule had a large increase in population? Populations in Canada move significantly over time. Who would have predicted the dramatic growth of the west at the time of Confederation? The political leaders at the time did not. This is obvious from the way they allocated seats to the Senate.

Population shifts could happen today even to scheduled ridings. Take for example the riding of Skeena in B.C. It is a large northern riding and a likely candidate for scheduling, apart from the fact that it is not a Liberal riding and the Liberals have complete control over the process.

Within the riding of Skeena is the Windy Craggy mineral reserve estimated to be worth between $10 billion and $40 billion. If this mineral reserve is developed, tens of thousands of highly skilled, high paying jobs could be created. However, the provincial government decided that jobs are bad and decided instead to turn the whole thing into a park.

If that unfortunate decision is reversed and those jobs are allowed to flourish, the riding of Skeena could have a population that tops 200,000. However if the riding has been scheduled, redistribution would not occur. The member for Skeena would be the busiest man on the Hill, having the largest population to serve and one of the biggest chunks of Canadian geography. This whole concept of the schedule has not been properly thought out and should be removed from the bill.

With the overly generous 25 per cent variance there should be no need for a schedule anyway. I have heard some of the Liberal members say the same thing, but when it comes time to actually do what they believe, they wimp out. They do the politically convenient thing. They go along with inequities and a variance of plus or minus 25 per cent.

This plus or minus 25 per cent allows ridings to be set up with a 50 per cent differential in population. This is at the beginning of the redistribution process. If there are population changes that occur during the period before the next redistribution, the discrepancy gets far more severe.

• (1035)

Surely this 25 per cent variance gives enough flexibility to accommodate any so–called special cases. We should not need scheduling. Of course without the schedule, the government will not be able to do quite as much manipulating of the electoral map.

The mention of special cases reveals another flaw in the bill. In creating this bill the procedure and House affairs committee heard from a list of rural members complaining that their ridings were too large. Even the member for Kingston and the Islands knows that several of his colleagues told him that they were afraid that the redistribution process was going to get out of hand and that their ridings would become larger than they could manage. They asked that the rural ridings be kept to a manageable geographic size, even if it meant staying below the provincial quotient.

However, the member for Mississauga West pointed out that many urban ridings experience rapid growth and should therefore be kept closer below the quotient to allow for this growth. The inherent contradiction in this bill becomes clear. How can both the rural and the urban ridings of a province be kept below the average? It just does not work.

The member for Mississauga West in this House during the concurrence debate said to me: "I must thank the member for pointing out something I had hoped would sneak by rural members". Those are the words in *Hansard*. "Would sneak by rural members. He knows I was hoping it would sneak by". That is found at page 9396.

The Liberals are again talking out of both sides of their mouths. They cannot have it both ways, but they are trying to do that in Bill C–69.

Does the government not realize that if all the rural ridings are kept at or below the quotient and all the urban ridings are kept at or below the quotient, that there is no one left to balance things out by being above the quotient? There is no one left. It is impossible.

Given enough time every member in this House will be able to find a reason why some special consideration should be given to his or her particular constituency. Our committee heard from many of them. The only reasonable thing to do is to apply the same rules to everyone. Otherwise we will end up with a set of rules that are effectively meaningless and useless.

The suspension of the redistribution process initiated by C–18 was a very serious breach of political non–interference. The government tried to cover its tracks by shrouding that action in a review of the system. Bill C–69 failed in its attempt to represent fundamental improvements to redistribution.

I call on all members of this House, on all sides to reconsider their support for this bill. I know that for the wrong reasons the Bloc members have changed their position on the bill. I reiterate, it was for the wrong reasons, but there are a number of correct reasons why this bill should be opposed.

I know that many members have an interest in fairness and equality in our electoral system. This bill creates and perpetuates some grave inequities. I would ask them to defeat this bill or at least help in providing some constructive amendments needed to save this legislation.

In order to come up with a good bill we need to clarify the issue of schedules. We need to tighten up the allowance variance to protect the voting powers of Canadians. We desperately need to address the growth in this House.

It was interesting yesterday when we had a visit by the President of the United States. We had a picture of what would happen in this House if we let unrestrained growth continue. These curtains would have to be removed, seats would have to be placed in the middle of the floor. That is where we will be in just a matter of a few decades.

Certainly there is no need to have to knock out walls in the House of Commons because we cannot deal with the problem of growth in the House for a country of 30 million people. Surely we can respect the wishes of Canadians for less government, smaller government, rather than for unbridled expansion of the House of Commons.

Without these improvements, no member who has an interest in fairness or common sense should support Bill C–69.

[*Translation*]

The Deputy Speaker: Pursuant to standing order 68(7) and to the order made Wednesday, February 22, 1995, the motion is deemed to have been adopted on division.

Therefore, the bill is referred the Standing Committee on Procedure and House Affairs.

(Motion deemed adopted, bill read the second time and referred to a committee.)

* * *

• (1040)

[*English*]

YOUNG OFFENDERS ACT

The House resumed from February 22 consideration of the motion that Bill C–37, an act to amend the Young Offenders Act and the Criminal Code, be read the third time and passed.

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, it is my privilege to rise in the House today to speak on behalf of my constituents regarding the proposed changes to the Young Offenders Act, Bill C–37.

In my riding of Port Moody—Coquitlam a rally of over 5,000 Canadians took place on September 25, 1994 to publicly demand changes to this act. This rally reflects the national demand for change to a justice system that caters to the rights of the criminal, young or old, rather than the security of society. A few brief weeks ago over 2,000 more concerned Canadians near my area marched for changes to the justice system on behalf of Melanie Carpenter.

The Minister of Justice has stated that such public outcries are an emotional response to media headlines. How wrong he is. These are the responses of people who have had enough and now realize they are not alone in their hurt and anger.

Yes, there is a shocking, tangible anger against the system. The rallying cry of the Jesse Cadmans, the Graham Nivens, the Melanie Carpenters, all tragic victims of this system, has served as the catalyst for a too long silent and threatened majority. Their concerns are real and widespread. And they, the people of Canada, must be heard.

Today I wish to speak directly for my constituents. I cannot do less. In August last year with requests pouring in, my office sponsored a meeting to respond to demands to organize a public rally following the senseless and tragic death of Graham Niven. We arranged for a room to accommodate 20 and then 50 people. That night over 300 people came to volunteer to make something happen.

Led by a core dedicated committee of about a dozen committed individuals, literally hundreds of community volunteers organized and successfully ran the rally one month later. Their message echoes the concerns of Canadians across this land.

Young offenders should be held individually responsible for harm done by their acts. They should know that they face certain consequences for breaking the laws of this land. Police officers must be given back the mandate to enforce laws designed to protect our communities. Parents must be given the authority over and the responsibility for the actions of their children. It is only thus that the very real fears of youth, women, parents and seniors, all citizens, of this rising violent attitude in our streets and in our schools can be adequately addressed.

The current Young Offenders Act has a statement of principle which recognizes that young people should have a special guarantee of their rights and freedoms. This has been interpreted by the courts to mean that any treatment of a young offender requires their consent. This same misled interpretation would still apply unless specifically addressed in this new legislation. Let me share with you some real life examples.

A Richmond court worker, a frontline worker, wrote that Bill C–37 does not go far enough. He said: "Young offenders are laughing at us and rubbing our noses in a system which leaves them unaccountable for their actions". It is not uncommon to see young offenders laugh at their sentence and wink at their buddies in the public area of the courtroom. He said that it was time that we stop giving them something to be proud of and instead give them something to think about.

The system is not tough enough and this only encourages recidivism. The statistics speak for themselves in that approximately 75 per cent of 12 and 13 year olds are first time offenders. This decreases to 58 per cent of 14 and 15 year olds and falls further to 50 per cent of 16 and 17 year olds. The study declared that those youths who did reoffend usually had far more than one prior conviction. These young offenders are obviously not deterred from continuing to violate the law. The present experience with the law and the court system obviously does not serve the offender or society. Canadian families pay the price for this failure.

Share for a moment the grief of a Langley, B.C. couple whose 17–year old son was shot and killed by a 16–year old who had just been released from custody. They wrote in their letter to me: "Ours is a lifetime loss of a young man with a brilliant future. We will never forget him or the atrocity".

Diane Sowden, a mother of a 14–year old young offender in my riding, shared her frustration with the judicial system at the rally. Her daughter at the age of 13 left home because she resented a 9.30 p.m. curfew. The police informed the parents they were powerless to do anything.

The girl was assigned to two group homes and three foster homes but she refused to stay at them because they also had rules. Diane reported that there was no curfew, no order to go to school, and no order to reside with the caregivers, completely against their request as parents. The story goes on to include pimps, drugs, schoolyard solicitation for child prostitution, heroin addiction, ignored parole violations and nothing anyone could do about it.

• (1045)

"We wanted stricter consequences for her actions, rather than no consequences", said Diane. "We as her parents want some say in what is happening to our daughter". Presently this 14–year old girl works the streets and the Young Offenders Act will respect her right to continue down this path of self–destruction.

We have accomplished nothing giving young people so many rights that the consequences of their actions are no longer relevant. The interests of young offenders are not best served

when they cannot be required to respect the authority of law or even the authority of their parents.

Unless there is proven reason, parents should both know and have a say in their children's treatment and those children should have no choice but to face the consequence in treatment, reparation and penalty for their illegal actions.

Let me share with the House the experience of Erma and Dennis Vietorisz. Erma addressed the rally in September as a teacher and a parent who has seen the consequence of rising violence in her school and the community. She wrote me again on December 29, 1994 about an attack on her son and a friend the month before, after the rally: "There was no provocation, no argument, nor any reason for a brutal attack on these two young people. After being taken to the hospital, our son was told he had a broken jaw and had to undergo emergency surgery and spend six weeks with his jaw wired shut. His friend had six stitches to his eye. Meanwhile the attackers had gotten away without consequence. Why? Because the police said there was very little they could do to protect our son from retaliation if charges were laid. The police could not detain the attacker after they arrested him as the courts would release him back on to the street to await trial even though he was very violent in his behaviour. All the police could do to protect our son was to put a restraining order on the attacker which would only help our son if he was attacked again".

After much deliberation and consideration the parents decided not to lay charges because the judicial system could not protect him. They decided not to subject themselves to the very real possibility of more violence. The attacker had nothing to fear from a system that is powerless to restrain him from inflicting fear and violence on others.

Erma recently received a letter from Premier Harcourt of B.C. who criticized her for not giving the judicial system a chance. What mockery. On the one hand we have a brazen offender who has, and will likely continue to accumulate a history of violence. On the other we have a judicial system with a mandate from the government that puts fear into the heart of the victim and not the offender.

Bill C–37 further entrenches this deplorable pattern. According to the latest studies published in January 1995 by the forum of correctional research, youth crime is on the rise. In 1986, 179,000 youths were arrested by police and 113,000 were charged. In 1992, 211,000 and some were arrested by the police and 140,000 were charged. Violent offences have increased from 9,275 in 1986 to 20,033 in 1991. That is over a 100 per cent increase in just five years.

Take these statistics in light of the fears of victims and their families such as the Vietorisz. Take these statistics in light of the pat on the head that first, second and third offences get or the total lack of consequences or recorded incidence of crime for all those under 12 years of age in the present system. There is an epidemic out there that our justice experts refuse to recognize.

I have received over 13,000 letters and faxes and over 15,000 signatures on petitions from concerned Canadians calling for real change to the Young Offenders Act.

Like Mrs. Sandy Mahoney of Maple Ridge, B.C. whose 14–year old daughter had to move to Ontario to live with her grandmother because she was constantly beat up at school, constantly harassed by what the authority and school officials called gang members. It is very clear that young criminals are not afraid of any authority, is what she said.

Another woman, Marian Jutila from Coquitlam states: "As a community we demand you immediately follow through and begin revamping our Young Offenders Act".

Many seniors have written to me, those who fear to leave their homes and also many who fear that violence will actually break through the walls of those homes. Perhaps the most compelling was the cry at the end of one letter that concluded with a handwritten note: "You must help us".

• (1050)

In conclusion, let me read the words of 17–year old Jamie Lipp, a dear friend of Jessie Cadman who was killed by a young offender. Jamie spoke at the rally: "What kind of society do we live in where young people are not held accountable for their crimes? What kind of society do we live in where we must fear for our lives within a few blocks of our homes? What kind of society do we live in when there is no respect for life?"

Bill C–37 does nothing to reflect the concerns of those who have spoken up with such clarity and sincerity. I cannot in good conscience support such a bill. We need a legislative overhaul which demands accountability for the sake of society and the young offender, that teaches respect for authority and the rights and lives of others, and that reverses the trend of fear and intimidation experienced within our community.

Today I implore the Minister of Justice to listen to these Canadians. They have something to say that he must hear.

Mr. Ron MacDonald (Dartmouth, Lib.): Mr. Speaker, I have listened with some interest to the speech of my hon. colleague.

She is from British Columbia. She would find from coast to coast and down on the Atlantic coast where I am from that there are similar sentiments with respect to safety in the community and a desire to ensure that the legislative tools we have at our

disposal such as the Young Offenders Act, are balanced. That balance periodically must be reviewed.

At least the bill is a step in the right direction. What I hear from my community is that there is a legitimate concern. Individuals want to feel safe in their community. However, Canadians are also very tolerant individuals and they are not harsh in how they deal with individuals that somehow find themselves at the opposite end of the law.

As a member of Parliament I have seen over the last few years a marked change in the way Canadians view the criminal justice system, the fairness of the system and whether they believe that the rights of the accused have priority over the rights of the abused. Many times this is the case.

Dealing specifically with the Young Offenders Act, some measures in this bill are supportable by most reasonable thinking people. Certainly the move to transfer 16 and 17 year olds who are accused of very serious crimes like first or second degree murder and other crimes like attempted murder, manslaughter, aggravated assault and aggravated sexual assault to adult court is very positive.

The people I represent understand that wherever possible we have to have a system that takes young people who happen to find themselves on the wrong side of the law and wherever possible work to rehabilitate them. We do not want just incarceration for the sake of vengeance. What we truly seek is rehabilitation.

There must be a recognition that there are some cases—I stress that it is the minority of cases with young offenders—where we have individuals who are 16 or 17, dangerous offenders, repeat offenders, who have carried out the most despicable and unspeakable crimes that are still protected by the act. They are protected as a young offender when their crimes are severe enough to be treated more seriously by the criminal justice system.

The move to adult court as a requirement under this bill, with the provision that the offender or the prosecutor or the counsel for the accused can argue before the court that the offender should not be transferred, is a proper one.

I also agree with the increased sentences for first and second degree murder. Canadians want to make sure that individuals who are convicted of these most serious crimes do not find themselves being convicted and sentenced and in a few years back out on the street, perhaps to commit such crimes again.

I also support with some qualification the provisions in the bill that deal with access to youth records, particularly for repeat offenders, and particularly for young offenders who seem to have a goal in life of continuing to wreak havoc in their communities.

It is essential in certain conditions, and these conditions are outlined quite well in the bill, that law enforcements officers and peace officers have access to those records during the course of investigations when dealing with serious crimes. It is also essential that the courts, in the case of young offenders who have a long criminal record under the Young Offenders Act and are once again before the courts as a result of further violations of criminal law, have access to these records. However, this section does not go far enough. I have to agree with my colleague opposite.

• (1055)

I live in a community of approximately 70,000 people. By and large it is a law–abiding community. People feel relatively safe travelling the streets. I have three children. The oldest will be 11 in a few weeks. I have an eight–year old and I have an three–year old. I want to see my children grow up in a safe community. I get concerned when I hear on the street—and I can never figure out whether it is simply hearsay—that there are some violent young offenders who go through the system who actually abuse the system and who use the protection under the act to remain anonymous.

At the school my daughter attends, if there is a 14, 15 or 16 year old who has been convicted under the act of a crime with violence or aggravated sexual assault who has been known to carry a weapon, the rights of the people of the community to live safely far outweigh the right of that young offender to anonymity for the crimes he or she has committed.

Some hon. members: Hear, hear.

Mr. MacDonald: I am worried, Mr. Speaker. Members of the Reform party are actually applauding me. I may have to rethink my position.

Canadians as a caring and just people have to understand that the accused has rights but there must be a recognition in law of the right of individuals to have safe communities.

I would like to see the government look at this provision. Maybe when this bill is studied further the government will assent to look at some exceptional circumstances where the rights of the community to safety override the right of the young offender convicted of a heinous crime, of a violent crime, to anonymity.

There is one other thing that is not in this bill which I have to raise because it deals basically with young people. It deals with offences against young people. I have spoken in the House before on this. An epidemic is going through the country of criminals who are committing perhaps the worst crime possible in our society today: adults who lure young women and in some cases young men into prostitution.

I say it is an epidemic. It is an epidemic which has not been spoken about loud enough or long enough in Parliament or in provincial legislatures. We are literally seeing some of our young children being lifted off the streets and forced into prostitution.

When we deal with the crimes of young offenders, the government must give priority to dealing with crimes against young people as well. I urge the Minister of Justice to quickly bring in new laws and new regulations to deal with this most serious crime. We need strict punishment and maximum sentences for those convicted of living off the avails of juvenile prostitution.

The Deputy Speaker: If the hon. member for Dartmouth wishes to continue, he will have another two minutes when we resume Government Orders.

It being eleven o'clock we will now proceed to Statements by Members.

STATEMENTS BY MEMBERS

[*English*]

MODEL PARLIAMENT

Mr. John O'Reilly (Victoria—Haliburton, Lib.): Mr. Speaker, it is with pleasure that I pay tribute to the young men and women who participated in the annual Queen's University model Parliament in this place from January 19 to 21 of this year.

In particular I would like to congratulate Mr. Sacha Bhatia, a student at Queen's University and a constituent of mine who sat in this very chair as the member of Parliament for Victoria—Haliburton during the model Parliament.

It is also important to thank the various members of Parliament who participated in the weekend: the Speaker of the House, the hon. member for Kingston and the Islands, the hon. member for York South and the hon. member for Lanark—Carleton, to name a few, as well as the table officers, security guards and others who made this model Parliament very successful.

It is my understanding that the students enjoyed a fine weekend, heard an excellent speech from the throne, debated bills and participated in committee work.

Being in my constituency at the time I did manage to watch the proceedings on C–PAC along with many other constituents and noticed what a fine job these students were doing.

[*Translation*]

FRENCH–LANGUAGE SCHOOL BOARDS

Mrs. Madeleine Dalphond–Guiral (Laval–Centre, BQ): Mr. Speaker, *Le Droit* reports this morning that the Ontario education minister is about to announce the establishment of 15 new French–language school boards.

While this is certainly good news, one would hope that Franco–Ontarians will soon have not only all the school boards they need, but also adequate funding in order to end current discriminatory practices.

The group for the development of French Ontario pointed out rightly that the degree of illiteracy among Franco–Ontarians is shamefully high; at 31 per cent, it is comparable to that of third world countries. That is the practical result of a century of linguistic and educational oppression.

It is time for a change. This is a right, not a privilege.

* * *

[*English*]

CHEMAINUS

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, in 1980 the little Vancouver Island town of Chemainus was suffering economic hardship. The community's major industry had suffered a severe blow with a slumping lumber trade and the plant closure of MacMillan–Bloedel's 120–year old sawmill.

However, since those dark days the town has become an inspiration for all Canadian communities because of its bootstrap tourism project. Chemainus is now known as the little town that did for its outdoor murals that have seen tourism become a multi–million industry. Four hundred thousand tourists from around the world flocked to Chemainus last year to see its 32 murals.

Recently the architect of the Chemainus murals, Karl Schutz, was in London where he accepted the prestigious British Airways Tourism for Tomorrow Award for the America's, beating out 120 others.

I congratulate Mr. Schutz and all the enterprising citizens of Chemainus, which is now the mural capital of Canada if not the world.

* * *

CARIBOU

Hon. Audrey McLaughlin (Yukon, NDP): Mr. Speaker, the governments of United States and Canada have for a number of years supported the protection of the Arctic national wildlife refuge in Alaska.

However, a recent Alaskan legislature motion to allow oil and gas exploration in what are often called the 1002 lands puts in

jeopardy that resolve. The Canadian government and the Prime Minister are on record as saying that they support the proposal to keep the Arctic national wildlife refuge safe from oil and gas exploration.

The wildlife refuge is a calving ground for the Porcupine Caribou herd which provides food for the people of northern Yukon and the U.S. The herd is an important national treasure. It is an international treasure. I have encouraged the Prime Minister to raise this issue with President Clinton during this visit to Ottawa.

Both the Prime Minister and the president are on record as saying they are in favour of no exploration on the 1002 lands. Again I encourage and urge the Prime Minister and the president to reconfirm this policy during this visit.

* * *

HEALTH

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, today I rise to comment on the growing threat of infectious diseases and emerging infections.

Our civilization is at a crossroads where diseases once thought to be a menace of the past are once again becoming a health threat.

The emergence of diseases such as tuberculosis is creating concern on the public health front. The federal government along with its provincial counterparts must remain sufficiently prepared to combat this threat.

Although Canada is also at a debt and deficit crossroads, there is a great need to maintain the laboratory centre for disease control and encourage provinces to enhance public health surveillance.

To adequately evaluate and monitor vaccine issues such as new vaccine submissions, safety and efficiency, we must ensure that there is sufficient knowledgeable staff and physician expertise at the health protection branch of Health Canada.

The same problem exists for Canada's blood supply. We must be constantly alert in monitoring problems in the supply of this, our most precious resource.

I urge the federal government and its provincial counterparts to remain committed to the fight against infectious diseases and emerging infections.

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[*Translation*]

REFERENDUM ON QUEBEC SOVEREIGNTY

Mr. Raymond Lavigne (Verdun—Saint-Paul, Lib.): Mr. Speaker, in the past few days, contradictions and divisions within the separatist camp in Quebec have increased at an alarming rate.

• (1105)

The only thing separatist mouthpieces seem to agree on is the fact that their strategy is not working. The clever referendum process which was supposed to drive Quebecers to mobilize and unite in favour of sovereignty is not producing the expected results.

Instead of continuing to look for gimmicks, Premier Parizeau should hold without further delay a referendum on an unequivocal question about Quebec separation and let the people decide.

* * *

[*English*]

JOHN OLIVER SECONDARY SCHOOL

Mr. Harbance Singh Dhaliwal (Vancouver South, Lib.): Mr. Speaker, I stand today to congratulate the students of John Oliver secondary school, a school I once attended, located in my riding.

The students of John Oliver have shown exemplary initiative and leadership through their active participation in the greater Vancouver crime stoppers program. These students have found a responsible and constructive way to take a proactive approach to dealing with the intimidation and harassment that can occur in our schools. By taking preventative measures they are reducing the incidence of crime in their environment and making their schools a safer place.

I commend the students of John Oliver and encourage students across British Columbia to follow their lead. I believe we should learn from our youth. What better example than the leadership shown by these students on crime prevention?

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[*Translation*]

AIR TRANSPORTATION

Mr. Jean Landry (Lotbinière, BQ): Mr. Speaker, today the U.S. President and the Prime Minister will sign the Open Sky Treaty. That agreement will significantly change the rules governing air transportation between Canada and the United States. It will open an important market for our air carriers. However, they will have to face increased competition.

Air Canada will face more competition in a market where it is currently the only Canadian carrier. The Open Sky Treaty will allow Canadian International to further consolidate its operations with American Airlines, and to provide stiff competition to Air Canada.

For reasons of fairness, the Minister of Transport must reconsider his decision and allow Air Canada to get full access to Hong Kong, the main landing point in Asia. The Bloc Quebecois will not put up with questionable political decisions which adversely affect the only world class carrier based in Quebec.

S. O. 31

[*English*]

HIRAM WALKER

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, I regret to inform the House of another casualty of excessive taxation. The Hiram Walker distillery in my riding which employs 137 people and has been in operation since 1970 will close its doors on June 16, nearly 24 years to the day since it opened.

The company cites the declining sales due to what it calls outrageously high and punitive taxes levied by both the federal and provincial governments. I could not agree more.

Hiram Walker is a producer and marketer of Canadian Club, the world's leading premium Canadian whiskey. Hiram Walker and Sons Ltd. is the Canadian business unit of the world's second largest beverage alcohol company. When companies are forced to close facilities as a result of excessive levels of taxation there is definitely a problem.

Our distillers are unable to compete with their American counterparts because of these tax levels. That means lost jobs. When is this—

The Deputy Speaker: The hon. member for Lincoln.

* * *

THE BUDGET

Mr. Tony Valeri (Lincoln, Lib.): Mr. Speaker, this Monday our government will be tabling its second budget. It is an opportunity to restore fiscal soundness and integrity to the Canadian economy. However, it is equally important that this not to occur at the expense of the middle class who already pay a disproportionate share of taxes and on whose backs much of the Canadian debt rests.

Our party's history is one of providing Canadians with hope and opportunity. Unless we begin to reign in our debt and deficit, hope and opportunity will be lost. This must be unacceptable to all members of Parliament.

The ultimate goal is to eliminate the deficit entirely. Three per cent of GDP by 1996–97 is an interim target and a very important one. It is a red book commitment and it will be met. In restoring soundness to our economy we will be able to continue one of the proudest legacies of the Liberal Party, to preserve social security, a system that would be the envy of the world—

The Deputy Speaker: The hon. member for Hamilton Mountain.

* * *

THE BUDGET

Ms. Beth Phinney (Hamilton Mountain, Lib.): Mr. Speaker, as we approach budget day I would like to convey the concerns of the residents of Hamilton Mountain. While my constituents appreciate that this year's budget must be a tough one, they feel that it should not be at the expense of the most vulnerable members of our society.

• (1110)

Eliminating the deficit must not be done on the backs of seniors on fixed incomes, the unemployed and lower income Canadians. It is time that all Canadians paid their share.

On behalf of my constituents I would ask the Minister of Finance to close tax loopholes before cutting social programs. The residents of my riding are very aware of the pressing need to reduce and eventually eliminate the deficit. There must be fairness in accomplishing this goal. If all Canadians share fairly the burden of deficit reduction, I am sure there will be great support for our efforts to put the country's finances in order.

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[*Translation*]

RIDING OF OTTAWA—VANIER

Mr. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, I rise in this august House for the first time and I do so for two reasons.

First, I want to thank the Ottawa—Vanier constituents who gave me their support during the February 13 byelection, thus granting me the privilege of representing them in the House of Commons. I am very grateful to them for doing so and I will do my best to meet and even exceed their expectations.

[*English*]

The second reason is to encourage the ministry to consider an additional measure to assist communities throughout the land, particularly in the national capital region which will be seriously affected by the implementation of the program review.

The suggestion is simply that the commercialization of any public service position be conditional on that position being retained in its community of origin for at least five years. This would allow the affected individual time to adjust to his or her new work environment without having to worry about being forced to move to another part of the country.

I am very pleased that the President of the Treasury Board has agreed to seriously consider this suggestion.

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[*Translation*]

FREE TRADE AGREEMENT

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, not so long ago the Liberals were adamantly opposed to the Free Trade Agreement with the United States.

"I think you sold us out!" said their leader to Prime Minister Mulroney, during the 1988 election campaign debate. Back then, the Liberals were capitalizing on their opposition to free trade to score points in the rest of the country.

The fact that the Liberal Prime Minister is now extolling the virtues of that agreement to the U.S. President is most hypocritical, particularly since he himself made a trip to Washington, in 1991, to beg our American neighbours to renegotiate the treaty.

Let us not forget that, while the Liberals were criticizing the Americans in the process, Quebecers, who, by contrast, are open to the world, played a major role in the outcome of the 1988 federal election, which would later result in the signing of the agreement.

It might be appropriate to remind President Clinton that if, today, we can all dream of a great common market from Tierra del Fuego to Baffin's Land, it is mainly thanks to Quebec and to Quebecers.

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[*English*]

INDIAN AFFAIRS

Mr. John Duncan (North Island—Powell River, Ref.): Mr. Speaker, on Wednesday in Question Period the minister of Indian affairs stated that the Nisga'a of northwest B.C. won a Supreme Court decision in 1973 awarding them aboriginal land title. This is incorrect. The Nisga'a lost their 1973 appeal.

The latest word is the Delgamuukw case of 1991. This aboriginal land title case was dismissed by the Supreme Court of B.C. and subsequently by the Court of Appeal. The minister's premise is wrong.

My question was whether the intent of Nisga'a offer was to treaty protect a commercial fishery. The public deserves an answer, which the minister did not provide.

Between March 3 and 13, B.C. Reform MPs are holding a series of town hall meetings across the province to raise public awareness and understanding of the implications of current B.C. treaty negotiations.

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RICHARD WEBER AND MISHA MALAKHOV

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Mr. Speaker, I would like to take a few moments today to recognize two very courageous individuals: Mr. Richard Weber of Chelsea, Quebec, which is in my riding, and Mr. Misha Malakhov of Ryazan, Russia. These two courageous adventurers have been preparing for years for their return journey to conquer the 1,500 kilometres of the Arctic Ocean. They are attempting to ski to the North Pole and return without any outside assistance. They are carrying all the supplies necessary for their survival for four months.

These two explorers are presently in the freezing wilderness of the Arctic. The ongoing challenge of man to surpass himself is alive and well in these two fellows. I really envy their courage and quest for adventure.

The long journey that these two daring adventurers are accomplishing is also a great example of international collaboration. A Canadian and a Russian working together toward the same goal is a great event to witness.

Finally, I would like to extend my best wishes to Mr. Weber and Mr. Malakhov.

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• (1115)

ATLANTIC CANADA

Mr. John Murphy (Annapolis Valley—Hants, Lib.): Mr. Speaker, our government recognizes that the future of Atlantic Canada lies in its ability to diversify and expand its economic base. Our government continues to support this tradition through the Atlantic Canada Opportunities Agency.

At ACOA the approach to local development lies in working with small businesses and communities to diversify and strengthen their economies. As a result 65,000 jobs have been created over the last seven years, and for every dollar put into small business through ACOA $4.20 comes back.

In my riding of Annapolis Valley—Hants, ACOA's commitment has produced many excellent examples of small business growth that has led to the creation of long term jobs.

Atlantic Canadians are not enslaved or bound by psychological depression as the Reform Party claims. Instead we are seizing new opportunities. Through ACOA our government is playing an important role in promoting regional economic growth.

* * *

TAXATION

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, in readiness for the forthcoming federal budget angry Canadians have put forward a strong message of no new taxes and no tax increases. They mock a government that is proving incapable of making the necessary and difficult decisions associated with spending reductions.

Taxpayers rightfully point the finger at government excesses: bloated MPs' pensions; waste, fraud and abuse in the bureaucracy; continued funding of special interest groups; and, the holy of holies, the CBC gorging itself annually on a $1.1 billion subsidy.

Canadians across the country are demanding that our spend crazy government get its act together to bring some sense to our

overtaxed economy. Canadian taxpayers believe it is time they were given a break considering they now spend more in taxes than they do for lodging and food.

What are we getting in return? No one is sure. Our taxes keep going up; government services are in decline; and our debt is doubling every 10 years.

Heaven help the faint–hearted politicians who are not listening and believe that Canadians are much too passive to roll up their sleeves and take to the streets. There is nothing more in their faces than thousands of Canadians sending Liberal tax spenders a message: We have had enough. We have nothing more left to give.

ORAL QUESTIONS

[*Translation*]

FEDERAL PUBLIC SERVICE

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the President of the Treasury Board acted with extreme arrogance in his dealings with the largest public service union, which represents more than 70 per cent of federal government employees, when he rejected out of hand a counterproposal for downsizing the number of federal employees on a mutually acceptable basis.

How does the President of the Treasury Board justify rejecting union proposals only a few hours after they were received, unless his mind was already made up and he never really intended to co–operate with the union to achieve his downsizing objectives?

[*English*]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, we have been in discussion and negotiation with the unions for several months. Various propositions including the ones that the Public Service Alliance has now formalized in writing have been considered over that period of time.

Quite simply they are not a way of achieving our goal. In terms of being able to get our deficit down to 3 per cent and the downsizing that is required from that, we need to target the different positions based on the programs and services we would be reducing.

Their proposition would not work in that regard and that is why I was not able to accept it.

[*Translation*]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, usually, there is room for negotiating when one's approach is not predetermined.

Although the public service must be downsized and everyone agrees on the principle, would the minister agree that his unilateral decision will result in savage job cuts and that, as a result, he will be directly responsible for the inevitable disruption of services to the public that will ensue as a result of his unspeakable strategy?

[*English*]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, I do not accept that there will be disruption to the public. I believe we will provide good quality services. We have good professional public servants who will continue to provide those services.

However we have to shrink the size of government. We have to downsize to live within our means. We cannot afford to have all these positions.

When we were discussing with the unions there was a great deal of acceptance of what we put forward. Fifteen of the sixteen unions agreed to the proposition that we put on the table. It was one; it was the alliance that did not agree with it.

• (1120)

I think the proposition is a good one because it treats our employees fairly and reasonably. It says at the same time that if we do not have work for them we obviously cannot pay them.

[*Translation*]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the government has failed to reach an agreement with the largest public service union, which represents over 70 per cent of all government employees. The government has come down on the side of confrontation, by rejecting the union's proposal out of hand, without bothering to negotiate, which is particularly offensive. This will lead to a showdown between the government and its employees.

I would ask the President of the Treasury Board whether he agrees that this showdown, a direct consequence of his refusal to negotiate, may well turn into a major confrontation in which all parties stand to lose: public servants will lose their jobs, the public its services and the government its credibility with its employees and the public?

[*English*]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, I do not accept the proposition that there will be a major confrontation.

I think the employees of the federal government, as indeed all people across the country, understand that the government has to get its fiscal house in order and that we have to cut government spending to do that.

Our employees expect it and we will treat them fairly and reasonably. We have gone through months and months of negotiations with the unions and examined all these propositions. It had wide acceptance from their bargaining agents except for the alliance.

We will continue to work with them in this downsizing effort to ensure that it is carried out in an efficient, effective manner and that we are fair both to the people who are leaving and to the people who will stay and continue to provide good services to the people of Canada.

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[*Translation*]

PROGRAM FOR OLDER WORKER ADJUSTMENT

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, my question is for the Minister of Labour.

The minister will no doubt recall that her former provincial Liberal colleague, André Bourbeau, had repeatedly asked the federal government to ease the criteria of the program for older worker adjustment in order to reduce the number of older Montreal workers unfairly excluded from this program.

Does the minister acknowledge, as her former colleague did, that the rules of the POWA are too restrictive and that the program fails to satisfactorily meet the needs of older workers who have been laid off?

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, I have not yet been made aware of this matter by my colleagues. I would ask to take this question under consideration, if I may.

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, the minister was surely aware of this matter when she was a minister in Quebec.

Given that the government of Quebec has pushed for a number of years for changes to the rules of the program, given the strong consensus in Quebec on this matter and given that the minister is now directly responsible for this program, is she prepared to make a commitment today, in this House? Will she undertake to table within a few days amendments to the program, in keeping with the recommendations of the Government of Quebec, which it has been making since 1991, as she should know?

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, I will of course seriously examine this question as I will deal with all matters of concern to the provinces. Quebec, like other provinces, I imagine, must be very concerned by this question of older workers. I can tell the members of this House that, yes, I will examine this question closely and I will get back to the House on this issue.

[*English*]

PENSIONS OF MEMBERS

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the government's weak–kneed attempt at MP pension reform is a slap in the face to every taxpayer in the country.

Despite the government's rhetoric this is still a gold plated pension plan for senior politicians. For example, under the old plan the Deputy Prime Minister would receive a base pension of $48,300 a year and collect $3.3 million by age 75 if she retired in 1997. Under the new plan the Deputy Prime Minister will receive a base pension of $48,300 and still receive $2.7 million by age 75 if she retired in 1997.

• (1125)

I have a question for the President of the Treasury Board. How can the government ask taxpayers to tighten their belts in the budget on Monday night when senior ministers continue to feast at the MP pension trough?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, we are reducing the cost of pensions to taxpayers by some 33 per cent. We are cutting over and above the commitments we made in the election campaign.

We said that we would end double dipping, and we have ended that. We said that we would put in a minimum age, and we have put in a minimum age of 55. On top of that we have also reduced the benefit level to save taxpayers 33 per cent of the cost of that pension plan or some $3.3 million annually.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the public will hardly be impressed by a 33 per cent reduction in a plan that is four to five times richer than any other plan in the country.

The fact is that the minister had to abandon real MP pension reform under pressure from senior colleagues who wanted to preserve most of the excessive features of the old plan. We now have a two–tier MP pension plan. One for the fat pack and one for the rest: trough regular and trough light.

Will the minister eliminate this two–tier system in favour of a plan that applies equally to all members of the House?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, the entire preamble to the question is wrong. In fact the question is wrong too because there is not a two–tier system. It is a single tier system; it is a single plan.

Furthermore it is not four to five times richer. That is absolute nonsense. Second, there was no pressure with respect to senior

colleagues. There were attempts to find a plan that would serve the needs of members of Parliament but at the same time reduce the cost to the taxpayer and to take a leadership role with respect to the forthcoming budget.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the only commendable feature of the revamped scheme is that it will allow MPs who put principles ahead of pork to opt out. My colleagues and I are opting out of this obscene plan. I trust we will be joined by the Minister of Finance, by the Minister of Fisheries and Oceans, by the Minister of Citizenship and Immigration, by the Minister of Human Resources Development and by the Deputy Prime Minister.

Who will be the first to follow the Reform Party's lead and renounce their gold plated MP pension plan? Will the minister answer the question now by rising to his or her feet?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, not too many members of the House end up getting a pension plan because the average years of service are less than the vesting years of six. I can tell the House that in the case of third party members none of them would make it to the six–year vesting period anyway.

They like to talk about the private sector, but in the private sector individuals do not get an opportunity to opt in or opt out. They are told that this is the plan and because of the actuarial integrity of the plan people are required to be a part of it. The Prime Minister has indicated to members of the third party that they will have the opportunity to opt out, and indeed they can.

When it comes to the overall compensation package for members of the House, we are lowering that compensation package. We are taking a leadership position by cutting the pension by 33 per cent.

* * *

[*Translation*]

LABOUR RELATIONS

Mr. Bernard St–Laurent (Manicouagan, BQ): Mr. Speaker, my question is for the Minister of Labour. The workers at Ogilvie Mills Limited, in Montreal, have been on strike for close to nine months now. In the meantime, the employer has been using scabs, with complete impunity.

Considering that she was elected in Quebec, where the use of scabs has been illegal for almost 17 years now, will the minister pledge to table antiscab legislation and, if so, when?

• (1130)

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, I am following very closely the situation at Ogilvie Mills Limited and the plight of its workers. I do hope that these workers will reach an agreement with the employer.

As regards the use of scabs, my predecessor said in this House that the government was examining the issue. We are looking at the Canada Labour Code as a whole, to see how it could be improved, and that includes the issue of replacement workers. We are consulting with both corporate employers and workers' representatives to discuss the issue.

Consequently, the issue is currently being examined and we hope to come up with a satisfactory solution.

Mr. Bernard St–Laurent (Manicouagan, BQ): Mr. Speaker, the minister's predecessor spent almost 15 months examining the issue and the problem still remains unsolved.

Does the minister realize that Ogilvie Mills workers cannot wait for a new incumbent to start the whole process from scratch? The minister must settle the issue quickly, in the days to come. We are asking for a deadline, for a date.

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, let us be realistic and not ask that the issue be settled in the next few days. As the hon. member said, this is a complex situation which has an impact on the Canada Labour Code. The situation at Ogilvie Mills affects workers, but such problems exist everywhere in Canada. We have to look at the impact on businesses and employers. It is indeed a complex situation and, as with any complex issue, we must take the necessary time to find a good solution to the problem.

* * *

[*English*]

MEMBERS OF PARLIAMENT PENSIONS

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, my question is for the President of the Treasury Board.

A few moments ago he disputed the fact that the MP pension plan is far more generous than a private sector plan. Will he confirm that his plan has the following elements: a 4 per cent benefit rate that is double the rate of a very good private sector plan; full inflation protection that is unheard of in the private sector; age of receipt at 55 with full benefit that is also unheard of in the private sector; and on top of that, by lowering the MPs' own contribution rate from 11 per cent to 9 per cent, he slipped in an increase in take home pay for MPs?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, talking about take home pay, there is no increase in salary. However, the folks in the third party would be taking home an awful lot more because they plan to opt out.

We need to look at this matter in the context of a total compensation package. The consultant who was hired by the previous government and reported on the question of compensation said that in fact compensation for members of Parliament is lower than that in the private sector.

If we take it in that context and on top of that take into consideration that we are lowering the pension, members of Parliament are taking a compensation cut. The member's leader was four to five times and now he has gone down to two times. In the private sector it is very common to have additional supplementary plans over and above what is provided for under the Income Tax Act.

In terms of the inflation index, members of Parliament pay 1 per cent of their salary per year for that inflation index which does not even kick in until age 60.

The plan is not how that party is trying to characterize it. Let us again bear in mind that we are reducing the compensation package. We are reducing the size of the plan by 33 per cent.

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, Reformers will be taking a cut in their disposable income because Reformers and those Liberals who follow our lead will be taking care of their own retirement instead of having it paid for by the Government of Canada.

[*Translation*]

My supplementary question is for the same minister. How can the minister ask Canadians to make sacrifices when the Liberal government gets a handsome pension at least three times more generous than private sector pensions? How can he justify this?

• (1135)

[*English*]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, Reform members cannot seem to get their numbers right. They go from four to five to two to three. They cannot get them right because they do not have them right to start with.

Mr. Harper (Calgary West): What is the number?

Mr. Eggleton: The number that does work here and which is true is that this plan is being cut by 33 per cent. That provides leadership in terms of the cuts in budgets that have to be made to get to our deficit target of 3 per cent of GDP.

* * *

[*Translation*]

FIREARMS REGISTRATION LEGISLATION

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, the Minister of Justice stated Monday that he was certain that the legislation regarding the firearms registration would be enforced Canada-wide, even on aboriginal territory.

Will the minister give us concrete evidence that the government has reached an agreement with aboriginal groups and that his claims are backed up by substance, so that we can take him seriously when he states that the new gun controls will be enforced not only elsewhere in Canada, but also on aboriginal territories?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the government does not need to enter into special contracts with native groups or individuals. There is one law for this country, and this applies for the gun control legislation.

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, how can the Minister of Justice be so optimistic when we all know very well that even census takers for Statistics Canada are unable to get the job done on aboriginal territories?

How would the minister have us believe that registering firearms and their owners will be easier than registering citizens, which is not being done at present?

[*English*]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I do confess to being an optimist by nature, something which I have discovered is an asset in this line of work.

I can assure the hon. member the government is entirely confident that the firearms legislation, once enacted, will not only be effective but will be complied with throughout the country.

* * *

IMMIGRATION

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, I would love to keep on the pension questions but I have a question for the minister of immigration arising from an issue in his own department.

Daljit Powar assaulted his wife for years. He defrauded the UI system. Since 1985 he has had two aggravated assaults, one while he was out on bail. He was ordered deported in 1986. He appealed and won. He broke the conditions. He has drug charges. There have been more beatings, once to his child. Finally, there was another deportation order in 1989. Out he went and that is good.

Now that we have finally kicked this fellow out of the country, why has the refugee board made a decision overriding the immigration deportation order and is now allowing him back into Canada?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, as I have mentioned before, it is difficult for parliamentarians to speak about the facts in an ongoing case.

We are speaking about a case that is before a quasi–judicial independent tribunal. We do not discuss matters when they are before judicial courts. I am not sure we should be getting into the intricate details while the case is ongoing.

Suffice it to say, I am equally concerned about a number of cases that cause a certain degree of frustration and consternation for Canadians. That is one of the principal reasons this government has moved quickly to try to address the systematic features that could certainly be righted and could eliminate more abuse. This is one of the reasons we have Bill C–44.

Why do Reform members relish talking about individual cases and at the same time refuse legislation to improve the system which would minimize the very cases they bring forward in this House of Commons day after day?

• (1140)

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, the minister has said to me before in this House that these are isolated cases. There have been three in my own riding. Where else do we talk about these issues if not here?

If we talk about where there is room to cut in budgets, this fellow has been ordered to pay $4,000 back to UIC after he picked up that amount of money while he was in jail. Want to look for places to cut in the budget?

This man failed to comply with the conditions laid down the last time his deportation appeal was successful. Who is going to be responsible when he comes back in? Will it be the minister or the refugee board? Or would it really be most logical and likely that the minister could now overturn this and just not let him back in at all?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I am not saying we should not debate the issues here. There is a difference between discussing the responsibilities that we have as legislators and parliamentarians and not interfering with, as those on that side of the House talk to us about, independent tribunals.

Let us talk about responsibility. Bill C–44 would permit the government of the day to forbid individuals like the hon. member member talks about from returning to Canada. We would not have to go through an inquiry process to get them out. It would enable a government to stop a refugee hearing and move it into an immigration inquiry. It would allow us as a government pending this legislation to forbid individuals based on national security from entering the refugee process.

I flip the question around. Who are being irresponsible by rejecting Bill C–44 and then beating their chests about individual cases?

[*Translation*]

HEPATITIS C

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

Last spring, the minister said she was waiting for the Red Cross recommendations before deciding if steps would be taken to contact every person who contracted hepatitis C prior to 1992, after receiving blood products. The Red Cross has already submitted its recommendations.

Since the Red Cross has already submitted its recommendations, will the Minister of Health finally tell us whether she will systematically contact individuals infected with hepatitis C before more people are contaminated?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, I have already described in this House the procedure for contacting those concerned, as requested by the hon. member.

As you know, we have a multilevel system in which responsibilities are divided among several partners, such as provincial governments and hospitals. There are several steps to follow and we will certainly continue to work with all those involved to ensure the best response possible.

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, does the minister realize that she is in the process of repeating with the hepatitis C problem the same mistakes that were made with contaminated blood and that her inability to make decisions is likely to have serious consequences for those infected and their families?

[*English*]

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, this minister takes her responsibilities extremely seriously.

I have been working very hard with all of the partners involved to make sure we take all action necessary to ensure the safety of the blood system and the safety of blood products. I am working with our provincial counterparts as well as many other partners to make sure everyone takes their responsibilities very seriously, as I know they do.

I wish the hon. member from the opposing party would be more responsible herself instead of spreading misinformation among the people of Canada and scaring them.

We have very difficult decisions to take and very difficult actions have been taken. I would like those members to congratulate us on the many steps we have taken.

• (1145)

PARLIAMENT HILL

Mr. Geoff Regan (Halifax West, Lib.): Mr. Speaker, my question is for the spokesperson for the Board of Internal Economy.

As promised in last year's budget the cost of operating Parliament Hill has been reduced by millions of dollars. Can the spokesperson tell us what measures the Board of Internal Economy will take to reduce the cost of food services on Parliament Hill?

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I am pleased to announce that the Board of Internal Economy has approved a business plan for the food services branch which will lead to savings of some $1.7 million per year.

Three cafeterias will be shut down and replaced with more cost effective alternatives. Staff will be reduced and re-deployed. Prices will be increased and menus diversified.

This initiative, along with other measures of the Gagliano plan, will save some $6 million per year for the taxpayers of Canada.

* * *

RAILWAYS

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, next week 35,000 railway workers are legally entitled to strike. This country will hardly have time to recover from an inadequate budget, let alone the massive shutdown of vital rail services. The cabinet's economic policy committee has already approved proposed legislation for anti-scab legislation.

Will the Minister of Labour fight against this proposal? Will she refuse to take sides and will she find an effective, impartial means of resolving this dispute through such a mechanism as binding, final selection offer arbitration?

[*Translation*]

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, after the conciliation officer tabled his report, I understood from what the parties said that they were prepared to resume negotiations. I think that the hon. member from the Reform Party should realize that the best thing would be for both sides to agree to negotiate a settlement between themselves. Together, the parties are quite capable of resolving their problems. So, let us not talk about a catastrophe before it occurs.

The parties are presently in a very good position to sit together and figure out the best way of settling their differences. I urge both sides to go back to the negotiation table and find this solution and I hope that they will do so.

[*English*]

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, we all agree that the parties should find a solution. The minister's responsibility is to prevent a catastrophe. She has had time now to consider whether the government is going to take steps to prevent the shutdown. The clock is ticking.

Will the minister state unequivocally that there will not be anti-scab legislation on the table, that she will not support a proposal that will cause irreparable harm to our economy if there is a strike and that she is not going to be a participant in the lynching that will take place?

[*Translation*]

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, it is clearly too early to talk about any legislation. This is a matter for the parties involved, who are best able to settle their differences together.

* * *

JOB CREATION

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, my question is for the Minister of Human Resources Development. According to the latest report from Quebec's ministry of income security, the number of welfare recipients has gone up again. There are now more than 797,000 people on welfare. Although massive layoffs are announced in several sectors elsewhere in Canada, the government is clearly content to rely on the economic recovery to create jobs.

Given the significant increase in the number of welfare recipients and the fact that the results of job creation programs are well below the figures quoted by the Prime Minister, does the government realize that it cannot just sit back and let the economy do the work and that it must put in place an active employment policy to provide the jobs so badly needed by Canadians and Quebecers?

• (1150)

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I would remind the hon. member that the government initiated a very active job creation program last year in its budget. As a result we have had the best job creation record of any country in the G-7, over 433,000 jobs.

The hon. member should know that because in her own constituency the unemployment rate has dropped almost 3 per cent during that one-year period.

I do not take any satisfaction in that as I still think more needs to be done. That is why we very much wish that the Bloc Quebecois, rather than constantly rising to defend the status

quo, would join us in a serious effort to reform our programs of training and employment so we an help people get back to work because that is where the jobs will be.

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, it is important to know that, between 1985 and 1988, just as we were coming out of the crisis, there were over 60,000 more jobs on average than under this government, notwithstanding the increase in population. I can only conclude that the government does not care about the unemployment problem.

How can the minister explain the fact that his government is not handling the economic crisis nearly as well as the previous government did in the middle of the 1980s? Will the government finally get rid of its wait–and–see attitude, which is no longer enough?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, as we have said several times, a budget will be presented on Monday which will be a very definitive answer by the government to the broad crisis.

If the hon. member looks at the past record, one of the errors of omission of our predecessors is that they did not come to grips with economic reality. They did not take the decisions that were necessary to stabilize or to restructure the economy and put us in a position where we could compete effectively and create jobs in a global economy.

We have undertaken initiatives in trade. We are taking initiatives in social reform. We are taking initiatives in the whole area of developing small business programs. It is not simply a matter of reacting to rhetoric, but actually coming to grips with the hard decision.

Again, I would invite the hon. member to join us in that very important enterprise.

* * *

HEALTH

Ms. Margaret Bridgman (Surrey North, Ref.): Mr. Speaker, Kingston penitentiary is in the midst of a tuberculosis outbreak. It is reported that 25 per cent of the inmates and six prison guards have tested positive for TB.

The president of the Union of Solicitor General's employees, Lynn Ray, has said that this crisis should never have happened and that Kingston officials have known for months about a possible TB outbreak.

Would the Solicitor General please explain why no action was taken earlier to prevent this situation.

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, Correctional Services of Canada has an active program to deal with the situation. It is working with Health Canada and other medical authorities. Its view is that it currently has the situation under control.

Ms. Margaret Bridgman (Surrey North, Ref.): Mr. Speaker, this outbreak of tuberculosis shows how ill–equipped Canadian prison systems are in dealing with communicable diseases.

I ask the Solicitor General if he agrees with the corrections' spokesman in Saskatoon who suggested that it might be time to considering mandatory testing.

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, this is always something that could be looked into. In Kingston there has been an active testing program. In fact, so far the people who have shown positive in the testing have not been found to have active TB as such. Prison officials are working closely with Health Canada officials to make sure that active TB cases do not occur.

I appreciate the interest of my hon. friend in this important subject.

* * *

EMPLOYMENT

Mr. Andy Scott (Fredericton—York—Sunbury, Lib.): Mr. Speaker, my question is for the Minister of Human Resources Development.

A year ago the minister launched, together with the provinces, a series of strategic initiatives across Canada to test innovative ways of helping Canadians get back to work.

Given the tight fiscal environment, governments and Canadians generally will be turning more often to creative solutions and wanting to make sure that these solutions are working.

Could the minister report today on the impact of these initiatives on job creation in Canada.

• (1155)

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, it is a question that follows in part the question raised by the hon. member for Mercier. We have now negotiated with the provinces over 15 different strategic initiatives that have provided opportunities for over 30,000 Canadians to find innovative ways to go back to work.

For example, in Prince Edward Island, 2,000 Canadians who have mental disabilities are now being integrated back into the community and into the workforce. In the member's own province of New Brunswick we have been able to supply through the New Brunswick job core opportunities for over 1,000 older workers to get back into the workforce.

I would like to quote a letter I received from a gentleman who is working with a boy's club who said: "I have waited 50 years for a job like this. I really enjoy working with kids. It is the best thing that has ever happened to me. It is a real blessing". That is the kind of innovation we want to show in getting people back to work.

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VIOLENCE AGAINST WOMEN

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

I am sure that the Minister of Justice shares my concern about the issue of violence against women. I am not as convinced that the minister sees addressing this problem both legislatively and in program funding must be a central theme, not simply peripheral to other considerations.

While I know that the minister is going to introduce amendments to the Criminal Code on the so–called drunkenness defence, I want to ask the minister if he will recognize that it is not the drunkenness defence or the use of drugs that should be used as a defence in violence against women but that violence itself?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I fully agree with the hon. member that the drunkenness defence is only one aspect of the challenge facing government and Canadians; namely, to deal more effectively with the problem of violence by men against women.

May I say, in response to the question that has been asked, that this preoccupation affects virtually everything that the Department of Justice does in relation to the criminal justice system. Trying to assess and anticipate the impact on women of laws that we propose, trying to co–ordinate the effort with other ministries and other levels of government to provide services to victims of violence, trying through education and other proactive social means to eradicate the causes of such violent behaviour, trying to improve education for young men and boys, so that they may have a healthier view of themselves and the other gender so that—

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[*Translation*]

CULTURAL SOVEREIGNTY

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Mr. Speaker, the Canadian Conference of the Arts stated that it obtained a confidential document originated by the U.S. administration, describing a strategy that may be detrimental to the cultural sovereignty of Canada and several other countries.

Could the Parliamentary Secretary to the Minister of Canadian Heritage tell us whether the minister has been in touch with the U.S. authorities and could she indicate the origin of this document?

[*English*]

Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage, Lib.): Mr. Speaker, I will take the question under advisement.

[*Translation*]

The hon. member will receive a reply as soon as possible.

* * *

[*English*]

GUN CONTROL

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I wonder if the buck stops with the justice minister. Last week when asked how a national gun registry would reduce crime he could not or would not answer. Instead he listed off a group of bureaucrats and organizations which he claims support his measures.

Is it not his responsibility to explain how a national gun registry will improve public safety and reduce violent crime? Does the buck not stop with him?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, it is entirely appropriate that I should have been in the midst of answering a question about violence against women immediately before having been asked about the registration of firearms.

The hon. member need only refer to the speeches I have made in the House as recently as last week on the subject to see the direct and demonstrable link between the registration of firearms and the reduction of violence, particularly violence against women.

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TOURISM

Mr. Derek Wells (South Shore, Lib.): Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of Industry.

I have active tourism committees in my riding of South Shore in Nova Scotia. They would like an update on the progress of the Canadian Tourism Commission and how the commission will help them in their job of promoting tourism.

• (1200)

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I would like to thank the member for this very important question.

As members will know, this is one area within this government where we have not only held our budget but have increased

our budget because we believe that tourism marketing is one area through which we can put a lot of Canadians back to work in very short order.

To facilitate that the Prime Minister announced in early January the Canadian tourism commission. The Minister of Industry announced all the appointed members February 1 and that commission is now receiving proposals from the private sector from tourism operators.

It will consider those private sector marketing plans along with those funds. They in turn will be matched with the tourism commission's funds. Hopefully through that kind of joint venture and leveraged attempt we can—

The Speaker: The hon. member for Nanaimo—Cowichan, one question.

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EDUCATION

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, each year the federal government gives provincial education departments millions of dollars to subsidize French classes.

Much of this money is used by school boards as a source of general revenue rather than French language education. For example, a recent report by the Carleton Board of Education states the income from these grants supports the system as a whole and is not specifically directed to the immersion program.

Can the Minister of Canadian Heritage or his secretary of state explain why his government is permitting money intended for French immersion to be used for general administration costs by school boards from coast to coast?

Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage, Lib.): Mr. Speaker, I will have to take the question under advisement.

* * *

[*Translation*]

CHILD CARE

Mrs. Christiane Gagnon (Quebec, BQ): Mr. Speaker, my question is directed to the Minister of Human Resources Development.

In its red book, the Liberal government promised to create 150,000 new child care spaces as soon as economic growth exceeded 3 per cent, at a rate of 50,000 spaces annually, a commitment that was reiterated by the Minister of Human Resources Development in his reform proposals. Last February, the Minister of Finance provided for a $120 million envelope for 1995–96 and another $240 million for 1996–97 to finance these new child care spaces.

Since there is every indication that this year, economic growth will exceed 3 per cent, is the government still prepared to act on its commitment, while of course respecting current provincial responsibility for child care?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, we have already started discussions with the provinces.

My deputy met with his counterparts in January. We hope to have a follow–up meeting in the spring. We have also started direct negotiations with representatives of the First Nations peoples to provide 6,000 spaces for them.

It is simply a matter of having to work in co–operation with both our aboriginal peoples and provincial jurisdictions.

ROUTINE PROCEEDINGS

[*English*]

HEALTH

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, pursuant to Standing Order 32(2), I am pleased to table in both official languages an interim report entitled "Commission of Inquiry on the Blood System in Canada" prepared by Mr. Justice Horace Krever.

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INTERPARLIAMENTARY DELEGATIONS

The Deputy Speaker: Pursuant to Standing Order 34, I have the honour to present to the House in both official languages the report of the meeting of the Standing Committee of the Conference of Commonwealth Speakers, presiding officers, held from January 5 to 7, 1995 in Kuala Lumpur, Malaysia.

[*Translation*]

Mr. Boudria: Mr. Speaker, on a point of order. Last Wednesday, I said in the House that the Board of Internal Economy had approved the purchase of ten kits on Bill C–68 for each member of Parliament. In fact, the quantity approved by the board was five copies per member of Parliament.

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[*English*]

COMMITTEES OF THE HOUSE

FINANCE

Mr. Jim Peterson (Willowdale, Lib.): Mr. Speaker, on behalf of all of the very hard working members from all parties of the finance committee, I have the honour to present to this House its 12th report.

[*Translation*]

This is about family trusts.

• (1205)

Mr. René Laurin (Joliette, BQ): Mr. Speaker, some of my colleagues on the finance committee who attended the committee's sittings wish to thank all the groups and experts who came to testify before the committee. Since today, they are away on business in their constituencies, I will express our party's dissenting opinion.

After several attempts to reach a consensus, the Bloc Quebecois had to reject the majority report tabled by the finance committee.

The official opposition is not against the principle of family trusts as such. However, the Bloc Quebecois cannot endorse the conclusions of the committee that favour maintaining Bill C–92, which allows wealthy Canadian families to use family trusts as a tax shelter. According to the experts who testified before the committee, the tax revenues forgone as a result of Bill C–92 would be in the hundreds of millions of dollars.

The Bloc Quebecois was also surprised at the complete reversal of the position taken by the Liberal Party of Canada which, when it was in the opposition, vigorously condemned Bill C–92. Today, by tabling this report, the Liberals put their seal of approval on the deferral of capital gains tax for the next twenty or thirty years and have thus refused to abolish the tax privileges of the wealthy.

In concluding, I would like to say that, for these reasons, the Bloc Quebecois demands, in its dissenting opinion, that the family trust system be amended so as to tax the capital gains of these family trusts.

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EXPLOSIVES ACT

Hon. Allan Rock (For the Minister of Natural Resources, Lib.): moved for leave to introduce Bill C–71, an act to amend the Explosives Act.

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

* * *

[*English*]

CRIMINAL CODE

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.) moved for leave to introduce Bill C–72, an act to amend the Criminal Code (self–induced intoxication).

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

[*Translation*]

ADM AGRI–INDUSTRIES LTD. OPERATIONS ACT

Mr. Clifford Lincoln (Parliamentary Secretary to Deputy Prime Minister and Minister of the Environment, Lib.): moved for leave to introduce Bill C–310, an act to provide resumption of operations of Archer Daniel Midland Ltd.

He said: Mr. Speaker, I would like to provide a few details on this bill.

There is a labour dispute between ADM Agri–Industries Ltd. and the Ogilvie Mills Ltd employees union affecting some 150 production employees. The parties are negotiating a new collective agreement to replace the one which expired on January 31, 1992.

A conciliator and then a mediator were appointed to help the parties resolve their differences. Unfortunately, little progress has been made up to now. The union declared a legal general strike on June 6, 1994. The strike begun eight months ago is continuing. The employer has continued its activities with the help of replacement workers.

• (1210)

I am therefore proposing a bill to provide for the appointment of an arbitrator to resolve this dispute, and, within 30 days, or longer, with the approval of the minister, the arbitrator should determine the issues on which the parties agreed, make an arbitration award on unresolved issues and prepare a memorandum of understanding for a return to work.

The bill contains provisions to require the parties to accept the memorandum of agreement for the return to work and the resumption of operations. It also contains sanctions in the form of fines, in the event the act is contravened. The act would come into force the day after royal assent.

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

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[*English*]

UNITED STATES SUGAR IMPORT RESTRICTIONS RETALIATION ACT

Mr. Paul Zed (Fundy—Royal, Lib.) moved for leave to introduce Bill C–311, an act to require the Minister for International Trade to retaliate against import restrictions introduced by the United States of America on Canadian refined sugar and sugar containing products.

He said: Mr. Speaker, the name of this act is known as the United States Sugar Import Restrictions Retaliation Act.

In 1994 Canada and the United States and over 100 countries signed a new GATT agreement aimed at reducing trade barriers and increasing market access over time. However, in the face of this global trade liberalization the United States preserved its own protectionist, high priced sugar program and took the opportunity to further reduce Canada's access for sugar and sugar containing products.

On January 1, 1995 Canada's exports of refined sugar and sugar containing products were forcibly reduced to a trickle. The sugar industry estimates that this will result in a $90 million loss in export trade accompanied by substantial job losses in Canada's refining and food processing industries.

Imports from the United States are unrestricted and continue to rise as Canadian tariffs on U.S. sugar and sugar containing products decline under NAFTA.

This is one way free trade and will result in millions of dollars of lost revenue, countless job losses and the reallocation of plants producing sugar containing products to the United States.

In conclusion, our Prime Minister yesterday quoted that the Americans are our best friends whether we like it or not. Let us resolve this issue quickly as friends.

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

* * *

[*Translation*]

ADM AGRI–INDUSTRIES LTD. OPERATIONS ACT

Mr. Nick Discepola (Vaudreuil, Lib.) moved for leave to introduce Bill C–312, an act to provide for the resumption of operations at ADM Agri–Industries Ltd.

He said: Mr. Speaker, I would also like to table a bill regarding the resumption of operations of the company ADM Agri–Industries Ltd. As was already said, the employees of this company have been negotiating their collective agreement since it expired on January 31, 1992. The employees have been on strike now for eight months.

Despite the efforts of conciliators and mediators to put an end to this strike, it has dragged on and the employer has kept operations running by hiring outside help. Therefore, I am tabling this bill, which provides for a mediator–arbitrator to settle the conflict and which provides that employees will go back to work under the terms of a memorandum of agreement, drafted by the mediator–arbitrator.

The bill contains provisions obliging the two parties to respect the memorandum of agreement and to try to settle the current conflict. It also contains sanctions in the form of fines, if the legislation is not respected.

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

* * *

● (1215)

ADM AGRI–INDUSTRIES LTD. OPERATIONS ACT

Mr. Raymond Lavigne (Verdun—Saint–Paul, Lib.) moved for leave to introduce Bill C–313, an act to provide for the resumption and continuance of the operations at ADM Agri–Industries Ltd.

He said: Mr. Speaker, I wish to introduce a bill providing for the resumption and continuance of operations at ADM Agri–Industries Ltd., commonly referred to as Ogilvie Mills.

As you know, 150 employees have been on strike for eight months. This bill would require the two parties to negotiate and go back to work. One of the two parties would have to determine working conditions under this plan. As you know, many people with dependent children are now on strike, despite having to earn a living. This bill should solve these problems.

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

* * *

PETITIONS

SOCIAL HOUSING

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, I wish to table in this House a petition signed by some 40 people, in addition to another petition containing about 15,500 signatures, which I sent directly to the office of the minister responsible for social housing this morning.

These petitions are signed by social housing tenants from all parts of Quebec. They were given to me by the Quebec federation of low–rent housing tenants and by the citizens' committee of Saint–Sauveur, Quebec. These petitions include the signatures of 500 residents of Saint–Hyacinthe that were sent to met by my colleague from Saint–Hyacinthe—Bagot.

The petitioners wish to draw the attention of Parliament to their current precarious situation and their inability to afford the 20 per cent rent increase contemplated by the government. This increase will affect 110,000 Quebec households who live in social housing units and earn an average annual income of $10,000. That translates into an annual rent increase of $500 per household, which is totally unacceptable.

The petitioners urge Parliament to renounce any measures to save money that would impoverish tenants.

I totally and wholeheartedly support this petition and urge the government to take appropriate action.

[*English*]

JUSTICE

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, I rise before the House once again to present petition number 15 in the course of action undertaken on behalf of constituents who wish to halt the early release from prison of Robert Paul Thompson.

April 11 is the date set for the parole hearing. My colleague from Surrey—White Rock—South Langley shall be in attendance with me at this hearing.

The petitioners I represent are concerned about making our streets safer for our citizens. They are opposed to the current practice of early release of violent offenders prior to serving the full extent of their sentences.

The petitioners pray that our streets shall be made safer for law–abiding citizens and the families of the victims of convicted murderers.

GOVERNMENT EXPENDITURES

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, it is my pleasure today to present three petitions to the House.

The first petition is signed by 150 of my constituents who are praying and requesting that Parliament reduce government spending rather than increase taxes.

The second petition is signed by 55 members of my constituency. The petitioners are praying and requesting that Parliament reduce government spending instead of increasing taxes and implement a taxpayer protection act to limit federal government spending.

• (1220)

HUMAN RIGHTS

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, the third petition is signed by members of my constituency who are praying and requesting that Parliament oppose any amendments to the Canadian Human Rights Act or the Canadian Charter of Rights and Freedoms that provide for the inclusion of the phrase sexual orientation.

[*Translation*]

CRIMES OF A SEXUAL NATURE

Mr. Eugène Bellemare (Carleton—Gloucester, Lib.): Mr. Speaker, I have the pleasure of presenting five petitions on behalf of residents of Carleton—Gloucester.

[*English*]

The first petition is signed by 60 residents of my riding and deals with the Canadian Supreme Court decision that freed an alcoholic who raped an elderly disabled woman.

The petitioners call upon Parliament to enact legislation to review the Supreme Court ruling file 23435 rendered September 30, 1994 and to enact legislation to address the repercussion of this ruling.

RIGHTS OF THE UNBORN

Mr. Eugène Bellemare (Carleton—Gloucester, Lib.): Mr. Speaker, my second petition is signed by 40 of my constituents. It calls on Parliament to extend the same protection to the unborn child enjoyed by born human beings by amending the Criminal Code.

HUMAN RIGHTS

Mr. Eugène Bellemare (Carleton—Gloucester, Lib.): Mr. Speaker, the third petition is signed by 149 people. They are asking Parliament not to amend the human rights code, the Canadian Human Rights Act and the Charter of Rights and Freedoms in a way that would tend to indicate societal approval of same sex relationships.

ASSISTED SUICIDE

Mr. Eugène Bellemare (Carleton—Gloucester, Lib.): Mr. Speaker, I have two petitions signed by 71 constituents that call for Parliament to ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be retained without change and enforced in order that Parliament not sanction or allow the aiding or abetting of suicide or euthanasia.

[*Translation*]

YOUNG OFFENDERS ACT

Mr. Eugène Bellemare (Carleton—Gloucester, Lib.): Finally, Mr. Speaker, the last petition was signed by 25 of my constituents who are asking that Parliament amend the Young Offenders Act to allow the courts to punish more severely those who are convicted of crimes with violence.

[*English*]

TAXATION

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, I have the honour to present three petitions on behalf of my constituents from Okanagan—Similkameen—Merritt.

The first one contains 73 signatures. The petitioners are requesting that Parliament oppose any attempt to alter our ability to provide for a secure retirement by way of taxation of assets or income from RRSPs and pension plans.

The second and third petitions contain a total of 225 signatures and deal with the same subject matter. They are calling on Parliament to reduce the federal deficit by reducing government spending and to refrain from any form of increased taxation.

I agree with my petitioners.

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, pursuant to Standing Order 36, it is my duty and honour to rise in the House to present a petition, duly certified by the clerk of petitions, on behalf of 120 constituents of Saanich—Gulf Islands and surrounding area.

The petitioners humbly pray and request that Parliament reduce government spending instead of increasing taxes and implement a taxpayer protection act to limit federal spending.

HUMAN RIGHTS

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, I wish to present a petition on behalf of some constituents of Simcoe Centre, requesting that the Government of Canada not amend the Human Rights Act to include the phrase sexual orientation.

The petitioners fear such an inclusion would indicate societal approval of homosexual behaviour. The petitioners believe the government should not legitimize this behaviour against the clear wishes of the majority.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the following questions will be answered today: Nos. 104 and 110.

[*Text*]

Question No. 104—**Mr. Hermanson:**

Is there, or has there ever been an audit of the Canadian Wheat Board accounts and if so, (*a*) by whom, (*b*) are the audits publicly available, (*c*) how much money is owed to the CWB by foreign governments and (*d*) how much of that debt has been written off as uncollectable?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.): (a) The Canadian Wheat Board accounts are audited by an independent external auditor, Deloitte and Touche, Chartered Accountants. In addition, management of the Canadian Wheat Board is responsible for having good internal controls and formal policies and procedures to ensure the integrity and reliability of accounting and financial reporting. Management continually evaluates policies and procedures to ensure they meet the needs of the board and comply with current Canadian accounting standards. An internal audit group independently assesses the effectiveness of internal controls and recommends improvements.

(b) Audit results are published each year in the annual report of the Canadian Wheat Board which is tabled in Parliament and publicly available.

(c) As of 30 September 1994, the Canadian Wheat Board accounts receivable due from foreign customers totals $6.901 billion.

(d) The Canadian Wheat Board has not written off receivables from foreign governments. The Canadian government has, however, agreed, along with other creditor countries to implement multilateral, Paris club, debt relief initiatives for Poland and Egypt. Zambia and Ethiopia received much smaller debt relief packages. The Polish debt relief package was created to assist that country in its transition to a democratic state in pursuit of market oriented reforms. The Egyptian debt relief agreement was made to enable Egypt to recover from the aftereffects of the gulf war. In neither case was the debt relief granted because the debt was considered to be uncollectible.

About $522 million will be drawn down in this fiscal year from the allowances of the Government of Canada for general contingencies which were created in 1990. Further drawdowns will be made in fiscal year 1995–96 to complete debt relief operations for Poland and Egypt.

Poland's debt to Canadian government agencies has been reduced by about $216 million. After debt reduction, Egypt's debts will be reduced by $279 million. Egypt and Poland are servicing the remainder of their debts punctually.

Question No. 110—**Ms. Beaumier:**

With respect to reports by non-governmental organizations that Vietnamese refugees interned in Southeast Asian camps are being subjected to inhumane treatment by host governments, (*a*) is the government investigating these reports and (*b*) what action does the government plan to take with respect to these alleged human rights violations?

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): The specific non-governmental report cited by the member in this question is Amnesty International Calls for Action to Protect Asylum-Seekers, AI Index ASA 19/WU 03/94.

Although cognizant of allegations of human rights abuses in Hong Kong refugee camps, the government was not aware of this specific report prior to the member's question.

As an active supporter of the comprehensive plan of action, CPA, on indochinese refugees, Canada recognizes that persons who are not refugees should return to their countries of origin. The group under discussion was determined by authorities not to be refugees. At the same time, the Government of Canada prefers that humane methods be used to ensure the safe repatriation of these individuals.

The Government of Canada recognizes that the protection of refugees and asylum seekers falls under the mandate of the United Nations high commissioner for refugees, UNHCR, and will continue to work with the UNCHR to bring the CPA to a successful conclusion.

[*English*]

The Deputy Speaker: The questions as enumerated by the parliamentary secretary have been answered.

* * *

STARRED QUESTIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, would you be so kind as to call Starred Question No. 86.

[*Text*]

*Question No. 86—**Mr. Deshaies:**

Regarding service, supply and leasing contracts awarded by Public Works and Government Services Canada, (*a*) how many such contracts have been awarded in Abitibi since October 25, 1993, (*b*) what amounts are involved, (*c*) to whom were these contracts awarded?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): The information requested is not available in an existing document and it cannot be produced within the department's routine operations. The manual and electronic data banks of the four distinct organizations which existed prior to the merger forming the department of Public Works and Government Services have not as of yet been integrated or updated. To compile information which represents the contracting activities of the entire department, an in–depth search would have to be conducted throughout the many sectors of the department and their data banks.

The department does not currently have the capability within its routine operations to produce accurate statistical information for all of its contracting activities within electoral boundaries.

The department is presently considering the various options available to it to update and integrate its various information holdings.

As an alternative approach to providing contracting information to members of Parliament, efforts have been made to facilitate access to the open bidding service, OBS. The OBS is a user–pay electronic bulletin board which publicly advertises contract opportunities, notices of planned sole–source contracts, as well as notices of contract awards. Through the OBS, contract histories are also available, allowing subscribers to find information on OBS contracts that have been awarded in the past, to whom, and for what amount.

In addition, PWGSC's publication, "Government Business Opportunities", GBO, is published three times a week and provides similar information on federal government procurement. The GBO is available to members of Parliament free of charge through the federal government depository services program.

Please note that this type of information for the whole province of Quebec is available in the answer to question Q–93 tabled this day.

[*English*]

Mr. Milliken: Due to the length of the answer I ask that it be printed in *Hansard* as if read.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, if Question Nos. 21, 85, 93 and 124 could be made Orders for Return, the returns would be tabled immediately.

I want to say with respect to Question No. 21 that it is a long outstanding question on the Order Paper. I am pleased the answer has been completed and I know the hon. member will find it quite marvellous.

• (1225)

With respect to Question No. 93, we have had a lot of bleating and whining in the last few days from the hon. member for Quebec East. I am pleased to table the answer to the question. This is the French version. I have an English version that is of similar size. I am only tabling one copy in the House to avoid having six boxes here today.

The hon. member says that it has taken a long time to answer this question. He is correct. Over 1,000 pages of material have been gathered painstakingly by the department. When I assured him the other day that public servants were working on this matter I was correct. I know now that he will see I was correct and I hope he has a nice weekend reading the answer.

The Deputy Speaker: Is it the pleasure of the House that Questions Nos. 21, 85, 93 and 124 be deemed to have been made Orders for Return?

Some hon. members: Agreed.

[*Text*]

Question No. 21—**Mr. Harper:**

What are the Departmental and Ministerial guidelines that the Minister of Transport uses in the determination of awarding a specific international air route to a specific Canadian airline?

(Return tabled.)

Question No. 85—**Mr. Cummins:**

In regard to Dr. Paul LeBlond, Joe Scimger, Dr. Dick Routledge and David Brander–Smith (members of the Independent Review Board inquiring into the government's management and enforcement effort on the Fraser River), (*a*) what departmental advisory committees (including the Pacific Salmond Commission) do these individuals sit on or have sat on since 1980, (*b*) what work, papers, reports, or the like have been or are being undertaken by these individuals, their firms, or their respective university departments on behalf of federal departments, and their agencies (including the Pacific Salmon Commission) since 1980, (*c*) what submissions or proposals have been submitted by these individuals, their firms, or their university departments in 1993 or 1994 to government departments, and their agencies (including the Pacific Salmon Commission) that have been approved, turned down, deferred, or have yet to be fully considered, (*d*) what is the amount of payment that

these individuals, their firms, or their university departments have received from the Federal Crown, and its agencies (including the Pacific Salmon Commission) since 1980, (*e*) what remuneration will these individuals receive for their participation on the Independent Review Board?

(Return tabled.)

Question No. 93—**Mr. Marchand:**

What contracts for services, supplies and leasing have been awarded by Public Works and Government Services since October 25, 1993, in all federal constituencies in Quebec, and what federal government properties are located in those same constituencies?

(Return tabled.)

Question No. 124—**Mr. Hermanson:**

With regard to regional ministerial offices, for every year since 1988, (*a*) what is the number of regional offices, (*b*) where are these offices located and (*c*) for each office (i) what was the date of opening, (ii) what was the date of closure (if applicable), (iii) how many persons are/were employed by each office, (iv) what is/was the budget of each office, (v) what proportion of that budget was spent, (vi) what percentage of these funds were spent on office administration, salaries, capital costs, outside contracts and hospitality, and (vii) what are the guidelines under which these expenditures are made?

(Return tabled.)

[*English*]

Mr. Milliken: Mr. Speaker, I ask that the remaining questions be allowed to stand.

The Deputy Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

YOUNG OFFENDERS ACT

The House resumed consideration of the motion. That Bill C–37, an act to amend the Young Offenders Act and the Criminal Code, be read the third time and passed.

Mrs. Christiane Gagnon (Quebec, BQ): Mr. Speaker, I welcome this opportunity to speak once more against the bill before us, Bill C–37.

I am sad to see that the government keeps wanting us to pass yet another bill tinted with a social policy that goes against the wishes and reality of the people of Quebec as well as the interests of the people of Canada.

On this issue as on many others, we, in Quebec, do not regard or live the juvenile delinquency problem the same way as English Canada does. As I said eight months ago, the rate of juvenile delinquency in Quebec is the second lowest in Canada, after Prince Edward Island. In Quebec, the detention rate for young offenders is the lowest in Canada.

When you put these two facts together, you can see that a more systematic and lengthy detention, as proposed in the bill, has no bearing on the rate of juvenile delinquency. That is what we found out in Quebec.

In Quebec, we believe that where the real problems with the judicial handling of young offenders lie is with undue delays before sentencing and a settlement rate of 29 per cent at best for problems related to crime. This means that 71 per cent of young offenders get the idea they can do it again with complete impunity.

In Quebec, we also believe that the first thing to do is to deal with the social roots of violence. We believe in eradicating poverty affecting women and their children. In Quebec, we believe in making easier the access of women and their children to shelters, so that they can escape family violence. In Quebec, we believe in improving access to social housing so that young people can brought up in a healthy environment. In Quebec, this is the approach generally favoured.

These points quite naturally demonstrate that Quebec society is opposed to any change to the existing legislation, because, if used wisely, it can achieve different results depending on the situation. Unfortunately, it is not the Quebec approach that the federal government wants to impose on us. The quick fix the government would have us adopt is a heavy–handed approach.

This government is inconsistency personified. For instance, it blithely reneges on its campaign promise that it would not reduce transfer payments to the provinces, payments which help to improve the quality of life of the neediest in our society, including women and children, while it insists on keeping those with more devious public appeal.

How do we reconcile statements by the minister that there has been no increase in violent crime in Canada with Bill C–37? The answer is simple: this bill fits nicely into the latter categories: the promises the party has to keep if it is to maintain its standing in the polls.

This is outrageous, and this so–called social policy should be seen for what it really is: a campaign promise based not on reality but on myth, a campaign promise whose impact will be extremely harmful, and finally, a campaign promise that smacks of the extreme right wing.

• (1230)

We condemn this clumsy attempt by the government to make political gains at the expense of minors. This is not the Quebec way. The end, the means and the probable results are equally unacceptable.

It is common knowledge that increased sentencing and the incarceration of young offenders in prisons for adults are the easy way out and are more likely to provide opportunities for the homosexual exploitation of young people than for rehabilitation and for training these people to be responsible citizens. It is also common knowledge that the amount of time spent in custody is not a factor in treatment and social reintegration, and that five years are ample, since the impact on young people is different.

Two experiments conducted in the United States, which were similar to those proposed by the Minister of Justice, produced negative results.

I would now like to discuss the position of the victims who are supposed to benefit as a result of amendments to the legislation, and I am referring to women. I have already pointed out that a number of women's groups do not support the proposed amendments.

During the six months elapsed since the second reading of this bill, the government has failed to convince women that the proposed changes will help reduce violence against women. Women know perfectly well that young boys, who constitute the vast majority of offenders affected by the legislation, do not represent a threat to women, although the legislation is also supposed to be a way to reduce violence against women. I may refer hon. members to the findings of a wide ranging survey by Statistics Canada on violence against women, published in November 1993. According to the survey, one woman out of two was a victim of violence and, in the vast majority of cases, the aggressor was known to the victim.

In this instance, aggressor refers to the spouse or ex–spouse, not an unknown adolescent. We must look at the facts. Women who fall prey to violence are the targets of someone with whom they are having or have had an intimate relationship. In discussing the problem of violence against women, a possible role of a juvenile delinquent does not even come to mind.

Other important players, by virtue of their position in society, have also spoken out against this government bill. Think for example of religious communities whose apostolic mandate permits them to evaluate social policies from a global perspective. Moreover, the Church Council on Justice and Corrections argues that these presumably draconian measures do not provide a legitimate solution to juvenile delinquency. The "law and order" approach seems to calm public fears for the time being, but it does not address the true problems of juvenile crime. What is worse, it fosters false hopes given the ad hoc and simplistic nature of the legislation.

I would like to point out that this view is shared by the Canadian Conference of Catholic Bishops, the Quakers, the Mennonite Central Committee of Canada, the United Church of Canada and the Oblate Community of Manitoba.

There is also the scientific community whose research on dealing with juvenile delinquency does not in any way support the conclusions reached by the justice minister.

This would be the result of the proposed amendments. They would help neither the victims nor the young persons. They do not in any way address the problems with which young Canadians are grappling.

Above all, no consideration whatsoever is given to the specific nature of Quebec. What a great example of federalism. This bill, conceived purely with elections in mind, will unfortunately harm individuals who in fact need the government's help, that is the victims and young persons. Instead of giving women's organizations the necessary funding to help deal with the effects of violence, it would imprison the most vulnerable in our society, our young people. Another opportunity wasted.

[*English*]

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, I am pleased to rise in the House today to address Bill C–37, an act to amend the Young Offenders Act.

This is an issue about which my constituents feel very strongly. That is probably true across Canada. Not a day goes by without my office receiving a letter on this subject. Two weeks ago I presented a petition with 16,300 names calling on Parliament to revise this act in a more meaningful way.

• (1235)

The organizer of the petition is a constituent of mine, Mr. Bernard Castet. Mr. Castet became involved in this issue after his young son, André, was brutally and senselessly beaten and killed by two youths.

It is hard enough for a parent to handle the loss of a child but Mr. Castet's grief was further compounded by the fact that these two young offenders would be tried in youth court for this vicious and unprovoked attack.

It is a sad reality of the current act that Mr. Castet had to go to court to fight the system in an effort to have the two youths raised to adult court where, if found guilty, they could receive the type of sentence that would match the crime. After months of hearings, the court has now ruled that these two accused killers will be tried as adults. However if the government had accepted Reform's amendments to the bill, others like Mr. Castet would not have to go through this same trauma.

One such amendment called for any young offender charged with murder, attempted murder, manslaughter, aggravated sexual assault and aggravated assault to be tried in adult court. This is also the substance of Mr. Castet's petition.

The Reform Party, along with Mr. Castet and the more than 16,300 people who signed that petition, believe such an amendment would be a positive step, not only in terms of meting out punishment to fit the crime, but also as a deterrent factor. Admittedly the justice committee did put forward a compromise amendment but it is still less than what the public demands and desires.

Reform also called for a lowering of the age definition by two years from 12 to 17 years inclusive to 10 to 15 years. Most people, except the government, seem to agree that if a person is old enough to get a driver's licence and have many other societal responsibilities, that person is old enough to be accountable for his or her actions in adult court. Such a change in age limits would also prevent young offenders from slipping through the cracks of the current legislation.

Mr. Castet and his 16,300 petitioners also agree with the Reform Party that the extra privacy provisions of the Young Offenders Act are inappropriate for violent or repeat young offenders. In these cases, the publishing of names would make protection of the community the number one priority.

Reform also supports amendments to make parents more accountable for the actions of their children. This accountability would take the form of compensating victims for property crimes if it can be demonstrated that there was not a reasonable effort to exercise parental control.

While Reform members advocate such things as stiffer penalties for serious crimes, we are not looking to lock up all young offenders nor do we believe that even the most hardened young offender is beyond rehabilitation. A further Reform amendment posed just such an approach, calling for rehabilitation opportunities to be emphasized in a disciplined environment.

I would like to take a minute to address another item that I have brought up in the House before. I would like the House to consider seriously the whole matter of the punishment of young offenders.

Looking at the situation facing us today, young offenders are put away but they lose none of their rights. They can go with their hair whatever length they want. They have colour TV. They have all the rights in the world. There is no sense of punishment or discipline. A movement was started in the United States called boot camps. I approve of the thrust of this movement because it disciplines young offenders. They cannot go into a punishment facility with their own agenda. If they are found guilty of something they have to follow the agenda of the boot camp.

• (1240)

I have stood here before and spoken of my experience in the past, not as an inmate of a Canadian army detention barracks but as an observer of one. The basic thing about a detention barracks was that the inmate obeyed every rule immediately. After having served his minimal time he swore that he would never go back to that facility again. He was not abused. He was not beaten. He was simply made to toe the line. This works.

The other big benefit of this scheme where inmates are disciplined and made to follow our agenda and not their own agenda is that it is cost effective. Young offenders or anyone else for that matter, even an older offender, can be put in such a facility and in 30 days they are ready to obey the rules of society. It will have an effect that 60 days or 90 days or half a year of doing what they want in a youth facility will not have.

I will wind down that portion of my pitch to the House in pleading with all members to please let us take a look at the effectiveness of such discipline on young offenders particularly, but on others as well.

In conclusion, in carefully reviewing the bill I fully appreciate the efforts the Minister of Justice has made to try and satisfy the various special interest groups which make up the Liberal Party. It is a formidable task. However, in doing so the minister has put forward yet another piece of middle of the road legislation which has become the trademark of all Liberal governments.

Unfortunately the vast majority of Canadians want decisive action on this issue, not this watered down liberalism. On behalf of Mr. Castet and his late son André, I urge the government to hop off the fence and make the necessary changes to this important legislation.

If I have two minutes left I am going to once again return to my pitch and plead with the public as well as the members of the House to consider running boot camps or military style detention camps. For a minimum period of incarceration these camps will have a disciplinary effect for life on the people subject to that sort of punishment. It does not inflict physical harm. It simply says: "You obey the rules of this establishment. You do not have rules of your own". In so doing, it brings them around to saying: "Yes. Maybe I had better pay attention and listen to what society is telling me".

[*Translation*]

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, it is of course my pleasure to take my turn to speak on Bill C-37. As my colleagues already mentioned several times, the Bloc Quebecois finds this bill totally unacceptable for many reasons. The short time I have been allotted only allows me to gloss over the four main reasons.

As I said, there are four major reasons why we do not accept this bill. Firstly, the bill's methodology is incoherent; secondly, in many respects, it is poorly designed and is very ambiguous;

thirdly, it imposes on Quebec nation wide legislation, although we already have the best system in this area in Canada; fourthly, it is doubtful the bill will be effective.

• (1245)

This bill is incoherent. I hope that my hon. colleague will listen, and he will see what I mean. The minister is proposing important changes to the act that the committee will be carefully studying later on. Obviously, the time to do a study is before and not after the changes are made. This is a classic case of putting the cart before the horse. Furthermore, the Quebec Bar Association's paper, from which I will read a few passages, fully agrees with this analysis.

The bar association stated that, regarding this issue, it could only deplore the decision to start by amending the law, and then to backtrack and carefully study the legislation and juvenile delinquency. In addition to acknowledging Quebec's success in the area, starting at the other end would have made it easier to identify the specific mechanisms needed for the system to work well and the preliminary study of juvenile delinquency would have allowed to take stock of the outcome of the 1992 changes. This bill has already been amended. No one has evaluated the consequences, yet, we are getting ready to once again amend it and to do studies after the fact.

And the bar association ended by saying that it had reached the inevitable conclusion that Bill C–37, currently under consideration, should be withdrawn. It acknowledged that this was politically out of the question and that the minister had doubtless already made a public commitment. It proposed that the minister at least suspend consideration and first study the situation of crime among young people and look at the overall structure of the Young Offenders Act and then only return to the legislative amendments.

There is a another reason we find this awkward and highly ambiguous bill unacceptable. We have cited many ambiguities here in the House in the past few days, since we started discussing the bill. I would like to draw attention to some of them, in passing, before going on to other points.

Clause 1 of Bill C–37 introduces statements of principles into the act to the effect that crime prevention is essential to the protection of society and that a multidisciplinary approach is required to put an end to the problem.

Clause 15 of the bill provides that custody is not a substitute for appropriate child protection or health measures. It also provides that the courts should consider other alternatives before contemplating custody. Such statements are entirely in keeping with the Bloc's statements, of course. However, the bill does not speak about the actual alternatives. The bill talks of alternative solutions, but no effective measures are provided to carry them out.

Another argument is as follows. One of the major points of this bill is the amendment to arrangements for transfer to an adult court. Under the current system, youth court is supposed to bear society's interests in mind, notably public protection and social reintegration of the young person; at the same time, it must ascertain whether these two objectives can be reconciled while retaining jurisdiction over young persons. Otherwise, the young person must be transferred to adult court.

Clauses 3 and 8 of Bill C–37 introduce amendments providing for 16 or 17 year olds charged with criminal offences involving serious bodily harm to be automatically transferred to adult court. These criminal offences are first or second degree murder, attempt to commit murder, manslaughter, aggravated sexual assault and assault. Bill C–37 stipulates that a young person sent directly to adult court could nevertheless ask a youth court judge to hear his case.

• (1250)

In cases of 16 or 17 year olds charged with serious bodily harm, the burden of proof is thus reversed in regard to transfer to adult court. This young person would in fact have to convince the youth court that it is suited to judge his case. Under present provisions, the crown must convince the judge to transfer the young person to adult court.

Thus this serves to a create of a hierarchy of age groups in respect of the courts. However, while the legislation does not distinguish between 12 to 15 year olds and 16 and 17 year olds, these amendments will change the way they are dealt with for offences involving serious bodily harm. Certain lawyers might argue that this represents a violation of the right to equality before the law granted under section 15 of the Canadian Charter of Rights and Freedoms.

On the other hand, subclause 13(3) of the same bill provides that maximum sentences imposed for first and second degree murder be increased from five years to ten and seven years respectively. In cases of first degree murder, the maximum period of custody is six years to be served continuously and seven years for second degree murder, with four years served continuously.

These harsher sentences are not justified given that homicide rates have dropped since the 1970s. Furthermore, it seems that 16 and 17 year olds are responsible for the vast majority, or about 60 per cent, of murders committed by teenagers. The bill provides that they will be transferred to adult court and tried according to adult rules. The impact of these increased sentences will not be as significant as one would think at first. Everything seems to indicate that the burden will fall mostly on the shoulders of 12 to 15 year olds, something which is not justified by crime statistics.

Finally, the act was amended before in 1992, as was pointed out earlier, to increase sentences to five years in murder cases. Since statistics are not up to date, there is no way to check the effect of the 1992 amendment at the present time. How can another amendment be justified at this stage? Why not wait to find out the impact of the 1992 amendment before taking more repressive measures? That is what the bar association is wondering.

Finally, this is a Canada-wide piece of legislation, which would force Quebec to adopt procedures when Quebec already has its own rather remarkable ways of doing things. I would like to, once again, quote some of the comments made by the bar association: "It is important to note that Quebec did not address the problems in the same way as the rest of Canada. As a result, the problems are rarely experienced in Quebec and it would therefore be more appropriate to preserve the overall status quo than to modify a proven system. On the other hand, we must conclude that the same results could be achieved in the rest of Canada with adequate material resources".

The bar association recognizes that one of the major flaws in this bill is the lack of resources that we are willing to allocate to our young people's social reintegration. I would also like to mention what a colleague from the Liberal Party, the hon. member for London West, said recently. I think she is absolutely right. She said: "If I were a youth in trouble with the law today, I would much rather be in Quebec than anywhere else in Canada. Quebec takes a much more progressive interpretation of the Young Offenders Act. More diversions tactics are used to prevent young people from being tried. I think that we can and must follow its lead".

But it is not the case here. The federal government is not following the lead of Quebec, but rather trying to impose upon Quebec an unduly punitive legislation under the circumstances, since, as we know and as my hon. colleague from Quebec just mentioned, Quebec is the province who achieves the best results while using the least repression.

Finally, one can very seriously doubt the effectiveness of this legislation because nothing, at present, indicates that crime is reduced in inverse proportion to the length of sentences. I will conclude on this. At the same time, and many of our colleagues raised this point, the public is being hugely sensitized to crime nowadays.

• (1255)

Just take the United States, the best example of a place where you find both maximum repression and maximum crime. We do not think that the present circumstances justify a stiffening of legislation to solve what is more than anything else a profound social problem that requires a multidisciplinary approach. And in this respect, Quebec's lead should be followed.

[*English*]

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, it is a pleasure today to speak to something as important as Bill C-37, an act to amend the Young Offenders Act and Criminal Code.

This bill is in response to the increasing tide of violent crime. It especially is in response to the cries for justice from a public that is fed up with being terrorized by criminals, youth and adult alike, and seeing a judicial system inadequate to protect them and their property. It also responds to the cries from police who find the system which has been set out to deal with convicted criminals to be completely inadequate.

The frustration has been so extreme that some individuals in my riding who have been harassed by youth criminals have even suggested corporal punishment as a disincentive. Given some of the situations these people have been in, I cannot say I disagree with them.

I agree with this bill's initiative and will support it. However, I and my party believe the bill does not go far enough. In my speech I will deal with the principles of the bill and put forth some constructive criticisms and additions that I hope the minister will consider.

I agree with the increased penalties particularly for violent offences such as first degree and second degree murder and also the movement of 16 and 17 year olds to adult court at the discretion of the judges for violent offences.

I would agree with the principle of discouraging lengthening incarcerations in secure custody for non-violent offenders as I do not think it will serve the offender nor will it serve society well. However, we must also ask ourselves what this will be replaced with. Nowhere in this bill do I see this addressed.

One of the greatest problems in youth criminal behaviour is not only the violence but also the non-violent criminal acts which encompass a much larger number of criminal behaviour. Many youths who commit these acts for example, break and enter and auto theft, often repeat them many times over. They are convicted, penalized, incarcerated and released, only to repeat the sad cycle of breaking the law once again. The public and the police are understandably frustrated.

Justice must be served in a number of functions. The first one is the protection of society. The second one is the rehabilitation of the criminal. The third is the restitution to society and the victim. There should also be a disincentive to offend. The justice system has failed in many cases on all three fronts. All you need to do, as I said before, is to speak to those individuals who work in the system to know this is so.

We in the Reform Party have suggested that the convicted must pay back to the victim or society in some substantive fashion, for example by way of work or money. Also, to effect rehabilitation part of the penalty must be obligatory; the youth

must engage in school or a training program to provide him or her with the skills needed to be a productive member of society. This can similarly be applied to counselling and psychiatric services that the courts feel the offender must take. The offender must also be an active and willing participant in this, for not to do this would defeat the whole purpose of rehabilitation.

Relating to the rehabilitation of the young offender or lack thereof, many of these youths offend and reoffend. We must ask ourselves why this is so. Part of the reason is that tragically many of them themselves find that secure custody is a better environment than the one they come from.

This was graphically illustrated to me by a patient I saw not too many years ago. This young man of 15 stood in front of me prior to his release and pleaded with me to stay in the maximum security youth detention centre. He said: "Dr. Martin, if you let me go, I will go out and reoffend". That broke my heart. It was tragic. It brought to my mind that there was something desperately in need in our system if we had a young offender who had to say that. These young people need to be removed from the environment they find themselves and sent far away from the city to perhaps a setting in a rural area away from the drugs, the alcohol, the sexual abuse and the violence they are subjected to.

• (1300)

A change in environment is absolutely imperative for their rehabilitation. Also important is the length of time they are subjected to this change. They must be away from these destructive environments for a long period of time. I cannot emphasize that enough. It requires a long period of time to effect a change in behaviour and undo the damage of the many years of destructive influence they have been subjected to during their formative years. Repeat young offenders need stable, disciplined and constructive environments not for months but for a year or preferably longer.

Some may consider this suggestion harsh, but the idea is to get them into an secure and safe environment of normalcy where they can start to address the psychological and behavioural reasons they commit crimes. This cannot be done in the destructive environment in which many offenders find themselves, regardless how many dollars are spent on social workers and counselling. It will not work.

We will not change much by putting these individuals either into halfway houses or community rehabilitation centres for a few months, the reason being that they are in close proximity to the same environment they were in before. Therefore they are subjected to the same stresses that bred criminal behaviour in the first place that we see manifested in society.

Also the Reform Party has suggested that parents who wilfully abrogate responsibility for their children must also be held accountable. This could be in the form of fines imposed on parents.

Finally I address the penalty for violent crime. I agree with the lengthening of sentences. I suggest to the minister that another aspect is not addressed in the bill. Youth and adults who commit violent offences and are deemed to likely reoffend at the end of their sentences should continue to be held in custody until such time as they do not pose a threat to innocent people.

The rationale behind this idea comes from our belief that the rights and protection of victims in society are of the greatest importance with regard to justice. In the past I believe the rights of the victim have been violated and in our perception the rights of the convicted have been held at a higher level than those of the innocent.

The bill talks about the consideration of victim impact statements along those lines prior to sentencing. Rather than making them a consideration they should be made obligatory. It should be the right of the victim to give an impact statement at the time of sentencing.

I will address the prevention of crime. I do not have the answer but I would like to give a few insights having worked in the system both as a guard and as a physician. As we have all agreed the causes of crime are multifaceted. As I have said before many youths who commit crimes tragically come from horrendous family situations, often broken families, and are subject to the improper or inadequate parenting, sexual or physical abuse and alcohol and drug abuse often rampant in their history. Many children are born into these tragic situations and develop personality and psychological traits and behaviours that can lead to criminal behaviour.

The number of individuals subjected to such a tragic environment are increasing. Thus the number of people who suffer psychological dislocations as children that are manifested in criminal behaviour as adults will also increase. This will result in an increase in social costs in many areas, only one of which is criminal behaviour.

We should address the contributing factors that produce criminal behaviour. Children must be taught early at the beginning of their school years about appropriate behaviour, self–respect, respect for others, personal responsibility, what drugs, alcohol and sexual abuse are about, in addition to their *a, b, c*'s. It must happen at a very early age, at the age of five or six.

• (1305)

The parents could also be brought into the classroom so that they too could learn the value of important parenting and those lessons they may not have been subjected to as children. As

individuals we must learn these things if we are collectively to have a safe, responsible and law–abiding society.

If we are to address the antecedent issues to youth crime it will serve not only current youth offenders but will hopefully prevent those who normally take the path to criminal behaviour from doing so. It is an advantage to them and for the protection of society.

[*Translation*]

Mrs. Madeleine Dalphond–Guiral (Laval–Centre, BQ): Mr. Speaker, in June 1994, the Minister of Justice proposed the second reading of Bill C–37 and its referral to a committee for review.

The standing committee on justice recently made 28 amendments which do not significantly change the original piece of legislation. Indeed, the repressive nature of the bill remains intact and the current version once again overlooks the issue of social reintegration and rehabilitation of young offenders.

Today, Bill C–37 still only meets one objective: to silence Liberal hard–liners and to try to please those of the Reform Party.

The bill is very simple; yet, its scope will greatly change the government's view of the issue of juvenile delinquency and the way to deal with it.

Indeed, this legislation significantly changes the statement of principle governing the current law by stating the following, and I quote: "the protection of society, which is a primary objective of the criminal law applicable to youth, is best served by rehabilitation, wherever possible, of young persons".

Bill C–37 also provides harsher sentences for young offenders, as well as an automatic appearance before an adult court for 16 and 17 year olds who commit serious crimes.

Finally, Bill C–37 proposes a major change to the current legislation by specifying that the professionals involved will be allowed to exchange information on young offenders, and that the records of these young offenders will be retained by police authorities for a period of ten years in the case of serious crimes and three years for other offences.

In 1984, the Juvenile Delinquents Act was replaced by the Young Offenders Act, which then applied exclusively to young people aged 12 to 17.

Its purpose was to make young offenders accountable for their criminal behaviour, even though their degree of responsibility may differ largely from that of adults. A responsibility was also put on society in the sense that, while the population has the right to be protected from acts which threaten its safety, crime prevention does remain an important social responsibility.

As a result, young offenders had the right to equitable treatment, since their youth and degree of maturity required particular assistance of a sort not available from the justice system for adults.

In this spirit, the 1984 act prohibited the media from divulging the identity of an accused young person or that of witnesses called to appear. The ban did not last long. In 1986 the act was amended to allow the disclosure of the identity of a young person sought in connection with, charged with or found guilty of an offence and considered to be a threat to public security.

In 1992 the Conservative government again amended the Young Offenders Act, increasing the sentence for murder from 3 to 5 years. Also introduced at this time was the principle that a young offender could be tried before an adult court if measures to ensure public safety were inadequate.

There is no doubt that this bill will mean harsher sentences for young persons and an important shift in the act's declaration of principle.

• (1310)

In actual fact, the harshness of sentences for serious crimes or offences will be reflected in an increase in the number of years of detention. Thus, in the case of first degree murder, the sentence will be increased from 5 to 10 years, and in the case of second degree murder, it will be increased from 5 to 7 years, during which time these young persons will not be eligible for parole.

A number of specialists and other parties interested in the field of juvenile delinquency have observed that the severity of sentences for serious crimes plays a very small role in deterring young offenders.

A number of studies, need I remind you, have shown clearly that individuals who commit serious crime are unable to contemplate the consequences of what they have done or of what they are about to do. Generally speaking, there are three categories of young delinquents involved in serious crime. The first category comprises those whose psychological state or mental health is fragile. With the help of appropriate rehabilitation programs, the young people in this category have every chance of recovering and finding their place in society.

The second category comprises young delinquents who commit misdemeanours, and, under unforseen circumstances, do the irreparable and commit murder or some other serious crime.

Finally, the third category comprises 16 and 17 year olds guilty of serious crime, because their delinquent past has led them to where they are. This is juvenile delinquency at its most serious. These young people are referred to adult court, because prevention and rehabilitation have failed.

It must be said that the majority of young offenders are in the first two categories.

A number of studies would tend to indicate that the rate of homicide among young people has hardly increased in recent years. A document published by the Department of Justice in May 1994 reveals that, in recent years, the number of people under the age of 18 suspected of homicide has been considerably lower than in the 1970s. Between 1974 and 1979, police had an average of 60 homicide suspects under 18 years of age annually, whereas, between 1986 and 1992, the average was only 46.

The public appears more sensitive to violence among young people, however. It really seems that people overestimate the incidence of acts of serious violence. Consider for example a survey carried out in 1992 indicating that "Canadians believed that violent crimes accounted for 30 per cent of all crimes committed".

In reality, only 10 per cent of crimes are violent. Reality is often distorted by the media which for obvious reasons often stress sensational crimes, thus leading the public to believe that the rate of violent crime has risen sharply.

In the opinion of the official opposition, the repressive measures contained in the present bill are far from being justifiable in all cases of juvenile delinquency. All the more so since the present legislation already includes measures to punish offenders guilty of serious offfences.

The statement of principle proposed by the justice minister in Bill C–37 leaves the door wide open for repressing crime rather than preventing it. How else does one explain that this bill does not contain a single new provision in respect of prevention, rehabilitation or reintegration.

In Quebec and certain provinces in Canada, such as Ontario, the approach to young offenders focuses on prevention, rehabilitation and reintegration. Several studies including the Boscoville study have demonstrated the advantages of this approach.

It is true that several provinces in Canada do not have sufficient structures and resources at their disposal to proceed this way. So one might think that repression is the easiest option to choose.

• (1315)

Over the last few months, everyone in the judicial sector has criticized this bill because it ignores the issue of rehabilitation and reintegration. Juvenile delinquency cannot be looked at in isolation from a strictly judicial point of view; other much deeper factors that cause delinquent behaviour in young people must be taken into consideration.

Juvenile delinquency as we now see it is like a mirror held up to society. Without facing this reality, we cannot stem delinquency at its root.

Mr. Speaker, I would like to ask you the following question: Does Canadian society have the right to choose the simplistic solution of punishment, and to pass this off as the fulfilment of its responsibilities in this matter?

The official opposition thinks not, and I am certain that this is not what Canada wants.

[*English*]

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, I appreciate the opportunity to speak on this bill. I have had a lot of feedback from my riding that people are very dissatisfied with the way the Young Offenders Act works at present. I know from the feedback I am getting that they are also dissatisfied that the provisions of the bill do not go nearly far enough.

I conducted an electronic referendum on the Young Offenders Act, the first of its type, certainly in North America, during last year. I would like to cover a few of its results which fortify the belief that this bill does not go far enough.

I would like to cover a bit of the background on the Young Offenders Act so we know what we are talking about. The Young Offenders Act, Bill C–61 at the time, was passed in 1984, replacing the 76–year old Juvenile Deliquents Act of 1908. It had been around for a long time and it was generally recognized to be out of date and overly rigid.

Shortly after its passage the Young Offenders Act was also found to be somewhat rigid in certain aspects. Therefore, in 1986 Bill C–106 was passed, making changes to the sections of the Young Offenders Act dealing with the short term incarceration of juveniles awaiting preliminary hearings, the compilation and disclosure of criminal records of young offenders, and some other aspects of the law. Sentencing rules for first and second degree murder were toughened in 1992 by Bill C–12.

The government of the day carried out a poll in 1991 when it had made some changes to the Young Offenders Act in early 1990. The poll question asked: "The federal government has recently introduced legislation which would increase the sentences received by young offenders, 18 years or younger who commit crimes like murder. Do you approve or disagree with this legislation?" The results were remarkable. Eighty–eight to 90 per cent of the people polled felt that the sentences were not nearly tough enough.

I still see the same sort of result coming today from the referendum that I held in my riding. In answer to the question of whether there should be automatic transfer to adult court for serious crimes such as murder, over 95 per cent of the 5,500 people who responded said yes. To the question of whether there

should be a special category in the Young Offenders Act for repeat and dangerous offenders, 97 per cent answered yes. There is a sense in the community that people are not safe under the present Young Offenders Act.

My office is in a building that has a McDonald's on the bottom floor, and often a crowd of young people gather there on the weekends. Sometimes graffiti, urine and other things appear over the weekend. I have spoken to the RCMP about it, as have many people who live in the area. The police seem to be very limited in their ability to deal with the situation.

The residents who live in the area are very upset that nothing gets done. They see the police arrive to try to break up minor fights and so on and they hear these young offenders telling the police to f–off and get out of there. It has reached the stage that if the average person on the street witnesses a youth crime and tries to do something about it by calling the police, the whole exercise will turn out to be totally unsatisfactory for everyone involved; for the person who reported it, for the police, and for the people who had the damage done to their property. The only person who seems to get off scot free is this young offender who gets released right away and does not seem to have to pay any penalty for what he or she did.

• (1320)

In a semi–famous case that was printed in our local newspaper, I recently had the mother of a young offender come to my office. Shortly after arriving she burst into tears. She could hardly tell me the story. She had a son who was a young offender. He was a repeat offender. She had pleaded with judges. She had pleaded with people to get tough on this young guy and give him a sentence.

Unfortunately it seemed this kid was constantly given another chance. His crimes progressively got worse. Finally he was picked up on a series of break and enter charges and minor assault. The mother decided this time she would not bail him out; she would not do anything to get him out. She begged that he be put in jail. Of course a lawyer was engaged to defend the young man when he appeared in the courts. He was let out right away.

The first thing he did was to set fire to his family home. That same evening he burned down the family home because his mother had stood up and said something has to be done about this young man. The next day he was back in our local area serving pizzas as usual.

It is a pretty bad situation to have that going on in our society. The people in my riding certainly feel this bill is not going to address those sorts of problems.

I go back to the referendum that was held in my riding. It was one of the biggest samples ever taken on this issue. Over 7,000 votes were cast. We provided a very comprehensive householder. I know I cannot use props in the House so I cannot hold it up for everyone to see.

We set out the background of the Young Offenders Act in the householder and gave both sides of the argument. We quoted from a speech that the Minister of Justice made in a debate on March 17, 1994:

> —the act substantially has been a success and that in principle it is the right approach. I am certain improvements are needed but I am equally certain this process will result in a confirmation of the enlightened approach which the Young Offenders Act contemplates.

That is not what the Canadian Association of Chiefs of Police think. In its 1994 response to the Department of Justice report "Toward Safer Communities" we get the quote: "It is our view that the Young Offenders Act requires amendment in many areas and a piecemeal approach will prove ineffective. A comprehensive approach, which includes not only legislative change but also functional changes, is fundamental to addressing the problems of troubled youth".

I have a quotation from the working paper on the victims of violence with respect to the Young Offenders Act. It was also included in my householder: "Instead of becoming more responsible for their behaviour, young offenders are hiding behind the act. Society's right to protection from illegal behaviour has been eroded to the point that nothing short of a major shake–up of the Young Offenders Act will regain its confidence". That is absolutely true.

I have mentioned before in the House that I have gone into the schools in my area and we have discussed the Young Offenders Act. I have asked the young people there what they think of the Young Offenders Act. They think it is a sham. Many of the young people in the schools are afraid of it because it does not protect them from the gang violence that occurs in society.

I said to one young class: "Are you sure you are not just making this judgment that the Young Offenders Act is not working based on the hysteria in the community, that really you do not know what is in it and you are just making an emotional judgment?" Those hands went up again. About 35 out of 37 students in the class said: "No, it is not an emotional decision. We know what happens with the Young Offenders Act. We know how these gang members get off. We want something done about it".

Within the referendum that was held in my riding we had a separate electronic referendum for students. They too confirmed by over 95 per cent that they wanted the Young Offenders Act dramatically revised.

• (1325)

I do not think there is any question that the rate of youths charged with violent crimes per 100,000 population has increased dramatically since 1986. The rate of youths charged

with violent crimes has increased by an average of 14 per cent annually.

During this time the rate of adults charged with violent crimes increased only an average of 7 per cent. Therefore youth crime of a violent nature has really accelerated away from those that are happening at the adult level. This has to be because there is no deterrent in the present Young Offenders Act. Young people can do practically anything they want.

I am extremely disappointed that this bill does not give us what we really need to make a difference. I hope that eventually the minister will see the light, change his mind and bring in some tough provisions.

Besides all that, the Deputy Prime Minister promised to resign if the GST was not gone in one year and she still has not done it.

Mr. Darrel Stinson (Okanagan—Shuswap, Ref.): Mr. Speaker, recently I received a letter from one of my constituents, Mr. Brian Gregory of Enderby, B.C. Although I have never met Mr. Gregory, I would like to quote from his letter. He says in part:

> As time passes, it appears that more and more people are developing a lack of respect for the law and even outright indignation— If laws are unfair or unjust, then it is up to you, the lawmakers, to change the laws. This brings me to the main purpose of my letter: the criminal justice system.
>
> The terrible tragedies recently involving Rodney Bell, Mindy Tran, and now, Melanie Carpenter, have exposed a weak, tattered criminal justice system.
>
> Last night, my wife and I sat down and brainstormed a list of changes that we think would improve our criminal justice system.
>
> Here is our list of changes which we'd like you to consider bringing to the attention of Parliament.
>
> 1. The law–abiding citizens must be protected at all costs.
>
> 2. An environment must be created where people regain respect and trust for the law. Justice must prevail.
>
> 3. The Charter of Rights and Freedoms should not apply to any criminal (including white collar) who is incarcerated. A separate set of minimum rights for criminals should be legislated.
>
> 4. Young offenders should attend adult court and their identities must not be hidden. Teenagers who are old enough to perform criminal acts are old enough to attend adult court and do "adult time". I do believe, however, they should be segregated from adults in separate prisons. These kids are old enough to know right from wrong.
>
> 5. Prisons should be located in remote areas.
>
> 6. Sentences for violent crimes must be increased and there should be no early release for "good behaviour".
>
> 7. Life sentences must mean life with no parole.
>
> 8. The law requiring mandatory release after serving two–thirds of a sentence must be rescinded.
>
> 9. If a prisoner refuses rehabilitation counselling, he should not be released even if he serves his entire sentence.
>
> 10. The public has the right to know if a violent offender lives in their neighbourhood.
>
> 11. Work camps should be reinstated so that criminals could put something back into society.
>
> 12. While I am not a big proponent of capital punishment, this may be necessary for violent repeat offenders or serial killers. An alternative would be life sentences with no parole.
>
> As we have seen recently, the human element of the justice system makes it too risky that an innocent person will be put to death.

Mr. Gregory went on to write that these are the views of an average, middle class Canadian citizen. However, I am convinced that most Canadians share similar viewpoints:

> Please do not be influenced by a few elite academics who say that the crime rate is decreasing. One preventable murder is one too many. Let us bring common sense and justice back to our justice system.

My staff phoned Mr. Gregory at 7 a.m. B.C. time this morning to ask if I could quote his letter today. His wife said that she was sure he would be tickled to have me do that. I was tickled to get such down to earth letter on the complex subject of the reforms that ordinary Canadians want to see enacted by Parliament so that law–abiding citizens will once again feel safe in their homes and in their communities.

By contrast, the puny little baby steps that are proposed by Bill C–37 do not begin to answer the need people have to see our young people regain respect for the law.

The Young Offenders Act today does just the opposite. It makes young people look at the law as if it were a joke.

In November many of us attended the justice for Joshua rally. We met here on November 3, which would have been Joshua's fifth birthday except that he died September 15 from head injuries received when a 16–year old in a stolen car fled police at high speed and rammed a van driven by Joshua's grandmother. The young offender was sentenced to one year in closed custody for criminal negligence causing death, one year in open custody, served at the same time, one year of probation and a five year driving prohibition.

In Ottawa–Hull some 10,000 motor vehicles per year are stolen, mostly by young offenders. Many of them will try to get away from police, thereby threatening public safety. Even in my own relatively law–abiding riding of Okanagan—Shuswap last year nearly 200 motor vehicles were stolen in the Vernon area, and more than 50 motor vehicles were stolen in Salmon Arm.

At the justice for Joshua rally Ottawa talk show host Steve Madely claimed that 20 per cent of young offenders have reoffended five times or more. For young victims like Joshua, there is no second chance.

Canadians are fed up with going easy on young offenders and especially violent offenders. Repeatedly they have called on us as law makers to put the justice back into our criminal justice system. Instead, Bill C–37 will not permit 10 and 11 year old offenders to be charged at an age when there is still hope of setting them straight.

The Deputy Speaker: My apologies to the hon. member but the time is 1.30 p.m. and we must proceed to private members' hour.

PRIVATE MEMBERS' BUSINESS

[*English*]

PROPERTY RIGHTS

Mr. Mike Scott (Skeena, Ref.) moved:

That, in the opinion of this House, the government should initiate an amendment to section 7 of the Constitution Act, 1982, to recognize the right of the individual to enjoyment of property and the right not to be deprived thereof except in accordance with the principles of fundamental justice.

He said: Mr. Speaker, it gives me a great deal of pleasure to rise in the Chamber to move that in the opinion of this House the government should initiate an amendment to section 7 of the Constitution Act, 1982, to recognize the right of the individual to enjoyment of property and the right not to be deprived thereof except in accordance with the principles of fundamental justice. Nothing is more important to a system of government than this.

In rising in this Chamber today I am following many people of greater stature and ability than myself who have fought for this most fundamental right. I follow, however unworthily, in the footsteps of those who have made the glorious revolution. I follow in the footsteps of those who confronted King John and compelled him to sign the Magna Carta. I follow in the footsteps of those who for 1,000 years or more have worked and when necessary have fought and died to ensure that governments serve the rights of their citizens rather than oppress them.

I intend to continue the fight for property rights, the core of our ancient liberties. Since this is not how most people understand the concept of property rights, I have three primary purposes in my remarks today. First, I would like to begin by explaining what property rights really are. Second, I would like to outline why they are central to the problem of good government. Then I would like to explain how my motion would address that problem.

Property rights begin with the concept of self–ownership. It is vital to stress this point because when people hear the term property they generally think of real property: houses, boats, mansions and yachts. They generally think not just of real property, but of real property of a luxurious nature. They think of property rights as protecting the rich, or as protecting the existing order of things. This is fundamentally and entirely wrong.

The essence of property rights is the concept of self–ownership, of the individual's conscience and the individual's judgment as inviolable, even sacred. People have the right to make their own decisions. That is my most fundamental belief.

• (1335)

Our property is ourselves, our labour, our imagination and our courage. The right to control one's own actions is what property rights is all about. Only by extension is property material.

In a universe of material things and in a universe in which time passes, a respect for self–ownership of others must mean a respect for the things they make or modify. Property does mean things too, but fundamentally, the right to own property is a right to own oneself, to make one's own decisions, to trade voluntarily with others, to labour freely and for oneself and not for others as a slave.

It is therefore profoundly mistaken to believe that property rights favour the rich. Take half of a rich man's things and he will still be well off, but take half of a poor man's or a middle class man's things away and what hope do they have of one day being comfortable?

It is also unsound to say that one can be free without ownership of the things one makes with one's labour. It is unsound to contrast mere material things with higher matters such as love. However bright the eye of a beloved child, food, clothing and shelter are essential to that child, but they are not the end of that child's material needs. It is not a case of satisfying material needs and then moving to a higher plateau. Toys, games, books and the very arms with which a parent hugs a child are all material. No parent who cannot make a thing and keep it or trade it for another, whether simple food or a book of poetry can express their love effectively and freely.

The right of self–ownership is fundamental. It must imply the right to control the material things that one owns, makes or alters. However, its origin is in self–ownership: the ownership of ourselves, our labour and our imagination.

Those who deny the right to own property, deny not the right of the exploiter to hoard, but the right of the ordinary citizen to live according to his or her own lights. That right is fundamental to human dignity.

That brings me to my second point, the problem of good government. However sound the right of self–ownership may be in abstract theory, it is threatened in practice from two directions.

People may be subject to force and fraud from within their own community. Their rights may be insecure either in theory or in practice, if theft is legal or if it is unpunished. If that is the case, nothing we may do to make the world a better place as we understand it can persist. Whatever is achieved is snatched away. Then whatever a person may dream will be only a dream. It will never be realized.

People may be subjected to force and fraud from outside. Whatever system of rights they possess, an attack from outside may overwhelm that system and leave them raped and murdered in their burning houses. Whatever they have achieved may be taken away this way also.

Therefore people combine into societies and create governments. Through them they seek to define a system of rights and enforce it internally and also protect the system as a whole from attack from the outside. Sometimes they fail and if they do the results are clearly catastrophic. A government too weak to protect the lives, liberty and property of its citizens is unbearable, but the usual problem is quite the reverse.

Through most of human history the problem has been that governments wield too much power. The usual result of having a government too weak to protect people's rights is to have it displaced by one strong enough to do it, but unwilling to.

The historical problem is that governments have had the ability to protect citizens but not the will. Instead, they themselves have taken these rights away. What they have done is to treat citizens as means and not ends. They declare some higher purpose and then force citizens to seek to fulfil it, whatever it may be.

In most parts of the world the problem of government quite simply has never been solved. The Romans considered it. "Quis custodiet custodientes?" they asked. Who shall guard the guardians? But they did not solve it.

In the Anglo–American tradition it was solved, if imperfectly. The solution was partly theoretical and partly practical, but the larger and more impersonal societies and governments became the more important, the theory was. In Britain the Anglo–Saxon councils seemed somehow to have solved the problem of government, to give chiefs and leaders some power but not too much. They could defend rights but not take them away.

• (1340)

After the Norman conquest it seemed that government had triumphed over society, but it had not. At swordpoint at Runnymede, civil society told King John he would sign the Magna Carta or he would die and it told him he would abide by it or he would die.

When the Stuarts sought to shake free of it the people revolted. Charles I lost his head over it, literally. When Oliver Cromwell sought to use power to engage in social engineering, the people withdrew their consent to be governed. Shortly after his death the Commonwealth was abolished.

The monarchy was brought back under strictly limited terms after James II showed he would not keep the bargain. The glorious revolution brought William and Mary to the throne but also the 1689 Bill of Rights. Again the right of the citizen to be free from his or her own government triumphed.

Governments, however, have a real tendency to encroach. The guardians must be guarded. It was that which led to the revolt in the 13 colonies in the 1770s. It was the danger of another revolt that led to the Durham report urging self–government in this country. For most of our history the common law and its protection of the right to own property withstood any attempt to undermine it.

Unfortunately what wise men create clever men can undo. And so it was here. The Right Hon. Pierre Elliot Trudeau neither fully understood nor cared much about the notion of citizens as ends rather than means, nor did he understand or sympathize with the British parliamentary tradition and the supremacy of common law.

In 1982, quite casually, he traded away our most fundamental right in a slick and clever political calculation, but he should not have done it. Since 1982 things have gone downhill very fast in this country. Since 1982 we have somehow had the idea that government is the master and the citizen is the servant.

Mr. Trudeau felt very clever because he had reached agreement with the premiers to have the Constitution repatriated. However, when one level of government agrees with another to abolish citizens' protection against government, a protection 1,000 years old or more, it is not good and it is not wise. Therefore, I want this House to take steps to restore it to the Constitution.

The Canadian people were denied a chance to vote on property rights in 1982 when the Constitution was repatriated. Nobody asked them. They were denied it again in 1992 when the right to own property was deliberately omitted from the Charlottetown accord, against the wishes of the Canadian people I might add. They have been denied it here because hon. members opposite have denied the House a chance to vote on this motion, to stand up and be counted with the Commons or with bad King John. However, it is time we restored it.

What I am proposing is very precise, that the Charter of Rights and Freedoms should be amended to include the following:

The federal government shall take no property from any citizen, in whole or in part, through eminent domain, regulation, or any other way, except for public use, through due process and with just and timely compensation.

This does not encroach on provincial jurisdiction. It only binds the federal government. It does not paralyse public policy. It only holds it to a reasonable standard of serving the public and not abusing it. It does not forbid takings. It only insists that they must be done in a legitimate way and for a legitimate purpose.

What it does do is admit the existence of the paradox of government and to seek to apply the solution of wise men to the problems created by those who were merely clever. It seeks to restore government to its proper function: protecting the rights of citizens, not usurping them, not taking them away.

The most important of these rights is the right to own property. That right is the right to own oneself, to be a free person and not a slave. I therefore urge this House to express itself in favour of the entrenchment of the right to own private property in the Constitution.

Many of my colleagues will have an opportunity to speak to this motion today but many others will not. It is an additional unfortunate consequence of being denied votable status that the time for debate is drastically restricted.

• (1345)

Those of my colleagues who would like to speak but cannot have therefore asked me to read into the record a statement of their support. On behalf of the members for Calgary Northeast, Lethbridge, Mission—Coquitlam, Prince George—Peace River, Port Moody—Coquitlam, Prince George—Bulkley Valley, Vegreville and Wetaskiwin, I would like to conclude with this statement:

"Mr. Speaker, hon. colleagues and fellow Canadians, we believe the right to own property and not to be deprived thereof, except for public use, through due process and with just compensation is at the core of Canadians' ancient liberties as free people. Each of us would like to be able to rise in the Chamber today to voice our support for the entrenchment of that right in the Constitution. In case we do not have that opportunity today, we have asked our colleague, the member for Skeena, to place this statement of our support for this measure into the record".

I hope that all members of whatever party in this House will share and endorse that sentiment. This is most emphatically not a partisan issue but a matter of fundamental justice and human rights.

Ms. Shaughnessy Cohen (Windsor—St. Clair, Lib.): Mr. Speaker, I appreciate the opportunity to speak to this motion. I want to thank the hon. member opposite for bringing this issue to the fore.

He seeks to initiate an amendment to section 7 of the great Canadian Charter of Rights to recognize the right of the individual to the enjoyment of property and the right not to be deprived thereof, except in accordance with the principles of fundamental justice, a right which exists.

I caution the member to recall—he seems to be quite the student of history—that there was another great revolution against the crown of Britain, the American revolution. As a result of that, it also has a constitution. It is a constitution that has created a tremendous problem in its courts with the issue of the entrenchment of property rights.

We have had a pleasant visit this week from the President of the United States. Perhaps it is timely to raise this issue today, even as he departs from our country.

It is probably a good idea to look at what happened down south when we look at the question of the entrenchment of property rights. As I understand it, the courts in the United States have extended property rights beyond traditional forms of property such as land or housing to include such things as social security benefits, drivers' licences and employment with the government; entitlements, I think they are called. These are considered to be forms of property in the United States to which constitutional property rights protections apply.

This is an interesting notion, particularly when one contrasts this with what I think is the traditional view of the Reform Party. If the reform Party in its infancy can have any tradition, surely it is its opposition to the Charter of Rights and Freedoms and its opposition to what it thinks is government involvement in the activities of ordinary citizens.

I would suggest that an amendment to section 7 conflicts with those fundamental beliefs it purports to have. Certainly the American experience raises questions about how Canadian courts would interpret a property rights amendment if such rights were added to the charter.

One wonders what the impact would be. The impact would be an unwarranted interference in the property rights of Canadians. Our American neighbours also had some unfortunate experience with constitutional property rights during the first half of this century. This was under what became known as the doctrine of substantive due process. Under this doctrine the American courts, the United States Supreme Court included, struck down some important social legislation such as laws regulating the maximum hours of work, laws regulating minimum wage and child labour laws.

• (1350)

Child labour laws were struck down because they were seen to be violations of the employer's property rights, or should I say the slave owner's property rights.

The United States Supreme Court ultimately repudiated this approach in the 1930s. Nevertheless the American courts have continued to apply American constitutional protections in a variety of areas.

Canadian courts would be free to follow their own approach to constitutional rights issues and have done so even where provisions in our Constitution and our charter are similar to American constitutional provisions.

Given that we share so much in common with the United States in terms of our legal foundations, I would suggest to the members opposite that it would be well worth studying the American experience.

Undoubtedly this effort would be repaid in the greater understanding that we would develop about the meaning of property rights and their potential impact on our system.

The more one delves into this matter, the more one realizes that it is not easy and it is not clear. Nevertheless, the Reform Party typically puts forward the quick fix, the simple solution to a problem that exists primarily in its mind.

We should start with the simple and basic idea of the right to own and enjoy property. Your home, your property should not arbitrarily be interfered with. How could anyone dispute that?

When we start to examine the concept of property and when we start to see its actual and possible scope, when we begin to understand the range and the extent of laws that regulate or affect property, when we begin to understand all of these concepts, we need to take a step back and look at this in a concerted fashion.

It is one thing to talk about this in general and abstract terms but it is quite another thing when we consider the entrenchment of these kinds of rights in our constitution, an action that would result in power to the courts to review a whole range of laws which in some way may affect ownership or use of property.

Entrenching property rights in the Constitution would require the approval of the majority of the provinces. Given that the Constitution already gives the provinces jurisdiction over property and civil rights within their boundaries, I would assume they would have a rather prominent interest in this and certainly a real and valid one. Given that their agreement would be required for any change to the Constitution, I would argue that this is not the sort of step that could or should be accomplished through unilateral measures.

Students of the Constitution will tell members that this may be the kind of measure that a province could opt out of under the amending formulas set out in section 38 of the Constitution Act of 1982.

The parliamentary record from the debates leading up to the patriation of the Constitution and since that time indicates that some provinces have had concerns about constitutional changes that would constrain their ability to regulate property.

I do not know where the provinces stand on this issue at the present time but I am fairly certain that it is not a priority for them. The party opposite should know very well that reopening the Constitution is not a priority for the vast majority of Canadians at this time.

We have evolved elaborate laws regulating and protecting the ownership and enjoyment of property. Real and personal property laws regulate acquisition and disposition of all kinds of property and they regulate in some cases how property is managed or the use to which it is put.

The point of these laws is not, as the member opposite suggests, to burden individuals, but rather to ensure that these transactions occur in an orderly and fair fashion and to guard against mistakes or fraud in the purchase, sale and management of property.

In Quebec the civil code provides for the disposition of real and personal property and in other provinces statutes and common law deal with the same issues.

These common law rules can be traced back hundreds of years in English law. While we are on that, they can be traced back farther than the Magna Carta.

• (1355)

I cannot stand on this side of the House and not comment on my friend's argument concerning the glorious revolution. I would suggest that the glorious revolution and the Reform Party cannot be seen to be synonymous. The Magna Carta, which really is a predecessor and a direct line to our own charter, provided basic fundamental rights.

The Reform Party today stands in the House and seeks by this amendment to narrow those rights. The present charter for Canada was a part of and proof of the glorious revolution; the glorious revolution in Canada being the revolution that entrenched for us forever basic human rights and other basic civil liberties, my friend says the most important of which is the right to own property.

There are other views on which of these rights is more important. One of those rights is clearly the right of the citizen to live freely in this country.

The glorious revolution, an amendment to entrench property rights in the Constitution. I say that is an attempt by those who

support it to limit the rights of Canadians and to prevent Canadians through their government from protecting themselves.

[*Translation*]

Mr. Bernard St–Laurent (Manicouagan, BQ): Mr. Speaker, amending the Canadian charter of rights and freedoms so as to include the right to enjoyment of property is not a new idea. The entrenchment of a property right was an objective of the former Liberal government of 1968. Indeed, the Prime Minister of the time, Mr. Pierre Elliott Trudeau, who had also been a Minister of Justice, proposed the adoption of a charter designed to ensure the constitutional protection of certain rights including, of course, the right to enjoyment of property.

As you know, that motion was rejected. In 1978, some provinces squarely opposed the idea, which was included in a bill on constitutional reform, Bill C–60. As I recall, those provinces included Manitoba and Prince Edward Island.

In 1980, the federal government proposed a new measure to guarantee the right to enjoyment of property. Again, the provinces strongly opposed the idea. Consequently, I have to tell the hon. member that, if he hopes to see section 7 of the Constitution Act, 1982, amended so as to include such a right, he has a very difficult task ahead of him. To give you an idea of how difficult this would be, assuming it can be done, it is important to look at the technical aspects of the issue for a moment.

First, since the charter is part of the Constitution, it can only be changed by way of an amendment to the Constitution itself. This first requires resolutions from the Senate and the House of Commons, something which is not easily obtained, and, second, resolutions from the legislative assemblies of at least two thirds of the provinces, the latter representing at least 50 per cent of the Canadian population. That also is not going to be easy to get.

This latter condition implies that Ontario or Quebec will have to be one of the provinces that support a draft amendment, since together, they represent more than 50 per cent of the population. Furthermore, the Constitution Act, 1982 provides under section 38(2), I believe, that the resolution must be adopted by a majority of the members of a legislative assembly, as opposed to a majority of the members present at the time of voting, if the proposed amendment derogates from the legislative powers, the proprietary rights or any other rights or privileges of the legislature or government of a province. That would be the case here if the Charter were amended to include property rights. As the hon. member can see, his motion is practically dead in the water.

• (1400)

So far, judgments up to the Supreme Court, have failed to establish that property rights should be protected under the 1982 Charter. This was even ruled out in the Irwin Toys Ltd. judgment, an important decision supported by a majority on the Supreme Court, which stated that the intentional exclusion of property rights from section 7 and its replacement by the "security of the person" had a twofold effect. First, one can conclude that on the whole, economic rights, generally designated by the term "property rights", are not covered by section 7. However, that does not mean that no rights with economic overtones could not be covered by the term "security of the person".

In other words, there are some serious reservations because of the potential negative impact. Many groups have expressed their concerns about the possible entrenchment of property rights in the Constitution. I will mention some of their concerns as well as some of their priorities.

Aboriginal people are, for instance, apprehensive about the potential impact on their land claims and property rights. Nowadays this is a sensitive issue, and land claims are sacro–sanct. The unions are worried about a conflict between the rights of workers and the rights of those who own the resources. Environmental groups wonder about the legislative impact if property rights were entrenched in the Constitution, rights that are entirely legitimate.

The provinces should be concerned that entrenchment of property rights would allow the courts to obstruct the application of laws that protect important community interests, including legislation on planning and land use, ownership of moveable goods and real estate, and even legislation on health and safety.

Entrenchment would have clearly unpredictable and even absurd consequences for municipal by–laws on zoning, environmental regulations and spousal property rights in the case of marriage breakdown.

Take, for example, the case of a man and a woman who separate, who get a divorce. The family patrimony act, a provincial statute, provides that in case of marriage dissolution, the house shall be sold and the proceeds of sale divided between the ex–spouses. In the event that the Constitution is amended to include the right to property, as is being proposed by my Reform colleague, that would mean that the ex–spouse who bought the house could contest the provincial legislation under the Canadian Charter simply by saying that his or her right to enjoyment of property is being interfered with. The other spouse would thus be completely deprived of his rights under the provincial legislation. There would be no solution to the dispute. The lack of sense of such an amendment is therefore readily apparent.

The entrenchment of the right to property in the Canadian Charter is also dangerous and represents an intrusion of the federal government into an area of jurisdiction reserved exclusively for the provinces under section 92(13) of the Constitution

Act, 1867, which states that only the provinces may make laws regarding property and civil rights in each province.

Furthermore, how will the courts interpret the right to property, since in Quebec, the civil law governs this right and the courts interpret it from a civil law point of view, while in the other provinces a common law interpretation is used?

• (1405)

In conclusion, I would like to point out that no one can say that this right is less respected in Canada than elsewhere in the world. It is clear that, for the official opposition, the real interest in such an amendment probably stems from considerations of a completely different sort. It is clear that the addition of such a right to legislation transcending the powers of the federal and provincial governments, such as the Charter of Rights, and entrenching enduring values for regulating the life of society constitutes, for the federal government, a powerful means of once again interfering in an exclusively provincial area of jurisdiction.

The Acting Speaker (Mr. Bellemare): As no government member wishes to speak, I now go to the Reform Party.

The members of the Reform Party have asked me if there is consent to split the ten minute period between the member for Yorkton—Melville and the member for Nanaimo—Cowichan, allowing each five minutes.

Is there unanimous consent?

Some hon. members: Agreed.

[*English*]

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, it is unusual to find champions of property rights who are active in politics.

A lot of people reacted to the Reform Party with surprise and with a sense that we did not belong in federal politics. There is a real sense in which they were right, though not for the reason that they believed. We are not typical politicians. It is that we really do not like big government. That is why we are here. We think we have to be here. It is not just because we want to be.

I have been trying to understand why Canadians are in such a bad mood these days and why government seems to be at the centre of all their complaints. I believe it is because of the issue before us today.

The right to own property means the right to live unmolested by government. I listened very carefully to the arguments of the member from Windsor, but the objections are those that are typical of the Liberal Party that believes in more big government. I listened carefully to the argument the Bloc presented, that this was a provincial matter.

Who will protect the people of Canada from more big federal government? Will it be the provinces? I think there is a real contradiction in what Bloc members are saying about their own policies and their own beliefs. In a democracy government is not them; it is us. It is not the government molesting us. It is one another through government.

We have decided we can vote ourselves free money and we can. The more we try to beat wealth out of one another and tolerance and all other virtues, the more angry we get not just with government but with one another. Democracy is the practice of voting for public authorities. That is a way of keeping government under control, not a way of legitimizing any action it may take.

The right to own and use private property means the right to live unmolested by government. It really is not the government taking our hard earned tax dollars, our property; it is all of us molesting and taking property from each other through government.

Government is not benevolent. Government is force. The more wealth we try to get from each other through government, the more angry we get not just with government but with each other. We have trouble seeing what the lack of property rights has caused us and society. Too many of us believe that democracy gives the government the ultimate authority to take away our fundamental rights and our property. However this is just using democracy as an excuse. What we have in Canada is not a true democracy. We vote every four or five years to elect another bunch of tax and spend specialists who disregard our fundamental right to own and use our own property.

• (1410)

That is not what democracy is. Democracy is supposed to be a way of keeping government under control, not a way of legitimizing the confiscation of private property without due process of law and without fair and timely compensation. Voting should be a way of preventing government from taking our property. Instead we have become addicted to using it as a tool to take one another's wealth. That is socialism.

This is what I think is wrong with Canada and no amount of voting can fix it. For example, if private property rights were in our Constitution, the justice minister could not implement his gun control laws and we would all be better off. Unless we hold a referendum to include the right of private property in the Constitution we have little hope of getting true democracy in Canada. We need true democracy in our country and we need it desperately.

We in the House need to amend the Constitution or hold a referendum on the subject of putting the right to own property into the Constitution.

The member for Skeena has asked me to read a statement into the record in support of the motion. The principle and policy is our blue book policy and that would therefore include all

Reform MPs. Hopefully the government will consider carefully what we have presented in our reasoned argument.

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, I like to think Canadians live in a democratic and just society. I like to believe Canada is a country which respects the rule of law.

However when I look at our Constitution including the Charter of Rights and Freedoms I become concerned. Property rights constitute the most fundamental of rights: the right to keep what we earn, to acquire what we need through fair exchange and to enjoy those freedoms while respecting the rights of others.

Thomas Bethell wrote in *Property and Justice*: "There is a close relationship between the operation of a private property system and the idea of justice itself". As Canadians we believe we have an inherent right to justice. That means if a criminal steals something we expect to be compensated and we expect the criminal to be punished. If neither happens we are morally outraged.

It is our fundamental belief in justice that has motivated many Canadians to demand stiffer penalties for criminals, to demand more accountability of government spending of their tax dollars, and to demand the retrenchment of their property rights.

In a just society the weak do not have to fear the strong or the corrupt because they know their rights will be respected and the rule of law will protect them. In a just society the state will defend individual property rights from those who would take them. One reason for the state having a police force is to prevent criminals from violating the rights of other citizens.

Likewise when the state arbitrarily confiscates private property without regard to the rule of law justice has failed. Our justice system is built on the concept of private ownership, on the premise that when someone takes something from another they have broken a fundamental law of our society. This is because or possessions are privately owned, not commonly owned. Property can generally be state owned, privately owned or commonly owned. In Canada we like to think we have private ownership, but how can we guarantee it without constitutional protection?

A system of common ownership is by its very nature unjust. Anyone can take the fruits of our labours but it is not called stealing. It is called redistribution because everyone in the community owns whatever is produced. This ultimately leads to a society where justice means from each according to his ability and to each according to their need. Have we heard that one before? Inevitably under this system the needy are merely the greedy and the honest workers are the destitute.

• (1415)

In a society where the state claims ownership or control over property and arbitrarily denies its citizens the right to use and enjoy their property then it has broken its covenant with the people.

Individual liberty and freedom is lost and a state that does not respect the rule of law is a tyranny. Sometimes Canadians have a hard time defining what it is to be Canadian but I do not think communal or state ownership of property fits with that definition.

There is something wrong when Canadians have a fundamental belief in property rights and yet nowhere is that right expressly protected. Why does the government not recognize this right?

There is something wrong when a minister can arbitrarily impose his personal beliefs on society and enact legislation to deprive law–abiding citizens of their property because he does not like guns. This means that Canadians are being governed by people who do not believe in basic property rights. This is not comforting.

In support of M–301 I would sleep better at night knowing that my property rights were protected. I therefore wholly support this motion.

The Deputy Speaker: We would normally pass to the other side of the floor but the member I see rising has already spoken and may not speak again. Accordingly, the hon. member for Kindersley—Lloydminster will divide his time with unanimous consent among three members.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I would like consent to divide my time with the member for Vancouver North and the member for Saanich—Gulf Islands.

The Deputy Speaker: Do we have unanimous consent for the members to do that?

Some hon. members: Agreed.

The Deputy Speaker: There are three and a third minutes for the hon. member.

Mr. Hermanson: Mr. Speaker, I am sure you will have your stop watch out.

I am very pleased to express my support for property rights in Canada. The issue of property rights is an important one for all Canadians. It is not merely an issue for the wealthy or for those with business interests.

It is not an issue that can be labelled left or right. It is about personal freedom which is fundamental to free societies. It is a tragedy that a mature democracy like Canada has excluded the right to own property from its constitutional and legal tradition. I will explain how the issue of property rights, or rather a lack of them, adversely affects prairie farmers.

The effect of inadequate property provisions in our legal system means that these farmers do not really own all the commodities they produce. To own something means that one can choose how one uses one's property so long as it does not harm others.

Wheat is not a hazardous substance, therefore the farmer should be able to sell his grain to anyone he pleases by the marketing mechanisms he or she with colleagues choose at whatever price the buyer and seller mutually agree to.

Moreover, the farmer would have the choice of the means of transportation and the route taken to ship the wheat. After all, it is his grain, is it not? In the prairies wheat does not belong to the farmer. It is not his because he cannot sell it freely. He is told who he will sell the grain to. He is told what the price will be and he is told how he must ship the grain. Because of the lack of property rights in Canada, farmers do not own the wheat they produce with their own labour. By implication, the farmer does not own his own labour and therefore he does not own himself.

The farmer is reduced to being an agent of the state, paid for his efforts whatever the government decides to pay him for the produce. If property rights were honoured, all farmers would have the choice whether they wanted to market collectively. I am sure many farmers would make that choice. That is fine as long as it is the farmer's free choice and not one mandated by government.

It is said all that a man owns is himself and his labour. Because of that he then owns the fruit of his labour. By introducing property rights into the Canadian legal tradition we would be freeing farmers to make their own choices about how to meet their own needs using their own resources and the fruits of their own labour. Property rights legislation would give each farmer the authority to make his or own decision as to how to meet those needs.

I would urge all members of this House, particularly members from farm communities, to support the principle of property rights in Canada.

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, members of this House will know that I often use New Zealand as an example in some of my speeches on economic affairs.

I do so not because I believe that everything that New Zealand has done is right but because I believe that we have a lot to learn from looking at the experience of others who have also faced similar problems.

• (1420)

There are lessons to be learned from history about property rights. We need to take a look at the experiences of others in assessing whether property rights should be in our charter.

We have plenty of recorded history at our disposal. For example, we know the histories of ancient Rome, Greece, China, Egypt and Mesopotamia. We know what happened in classical times, medieval times, the industrial revolution and even modern times. Everything is documented. We know plenty about Britain, Canada, Australia, New Zealand, Russia, the United States and Cambodia. By studying the historical records of these places and times we can quickly see which government did not respect property rights and which did. We can see that those that did not respect property rights ended up with their people living in misery and poverty.

Perhaps it starts innocently enough. A government promises to regulate the economy for the common good, to redistribute the wealth more fairly, to make the rich pay their fair share and to close the loopholes. I have the feeling that I have heard these words before, a naive assumption that the government knows best and the average citizen needs to be protected from himself.

History is full of examples. Whether headed by a madman like Stalin or Hitler or by well meaning dreamers like Nehru and Nyerere, they always fail. Along the way they produce conflicts instead of peace, famine instead of plenty, poverty instead of prosperity. Instead of more and better rights than those we hold in a line from the Magna Carta, they deliver fewer and worse rights. Instead of delivering the gilded cage they deliver only the cage.

I challenge members to name one society that respected property rights where the people are not better off. I also challenge them to name one society where the government did not respect property rights where they are not worse off. The more protected the right to property, the better the living conditions and the better the societal order.

History also teaches us that when property rights are protected so are personal rights. Along with the loss of property rights comes the loss of personal rights, loss of freedom of speech and loss of decency in society. Property rights are the foundation of a decent society. They are the most important human right.

It amazes me that we have a Constitution and a Charter of Rights and Freedoms that guarantee the lengthy avoidance of deportation by known criminals who have come into Canada as bogus refugees but do not guarantee property rights to law–abiding citizens.

It amazes me that we have a Constitution and a Charter of Rights and Freedoms that permit crimes to be committed under a defence of drunkenness but do not protect the property rights of law–abiding citizens. Canadians are supposed to feel good about their Constitution. No wonder they are disgusted with it.

The motion put forward by the Reform Party member for Skeena is an excellent one which the government would do well to acknowledge and act upon.

In addition to all of that, the Deputy Prime Minister said she would resign if the GST had not gone in one year and she still has not done it.

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, I am very pleased to be able to speak to Motion 301 by my colleague from Skeena.

At issue here is the case for including property rights in the Canadian Constitution. During the three years I worked in Tanzania I saw the transition from a government with a strong, ideological belief in socialism where everybody owns everything and nobody owns anything to a society which accepted that it is human nature for people to want a plot of land or a piece of equipment or a business to call their very own.

That desire had also been there but it had been subjugated by the government and it was only when the change was made that pride and productivity began to improve.

• (1425)

As Canadians we enjoy the right to property but at the moment this right is at the pleasure of our government. Our only property rights are to be found in common case law developed over centuries and recognized by our courts.

At present, federal or provincial courts can arbitrarily take these rights away, setting their own value and overriding the right of the individual to establish what he or she considers to be fair and equitable compensation.

The establishment of property right is long over due and both federal and provincial governments should take prompt action to entrench them.

Traditionally democracies have been based on four fundamental rights: life, liberty, security of the person and the right to have and hold property. Property rights go back to the Magna Carta. The United Nations universal declaration of human rights in 1948 included property rights.

Property rights were included in section 1(a) of the Canadian Bill of Rights in 1960. The 1981 original draft of the Canadian Charter of Rights and Freedoms included property rights but they were deleted in political bargaining.

Perhaps particularly meaningful to my liberal colleagues across the floor, the Right Hon. Prime Minister Pierre Elliott Trudeau wrote in 1983: "I reiterate the full support of my government for the passage of a parliamentary resolution to entrench property rights in our Constitution".

At least 24 countries including the U.S., Australia, Italy, Germany, Sweden and Finland have protected property rights within their constitution.

No reasonable person would question the right of a government to appropriate property needed for the common good of society, but the rights of that person to be justly compensated for the deprivation should be clearly stated and protected. Entrenching property rights in the Constitution would obligate any authority expropriating property to be accountable to the citizens of our country. As a fundamental right, property should be afforded the same constitutional protection as our right to life, liberty and security of the person.

The government should provide this protection and when the necessities of the common good override this personal right, provisions should be made to ensure fundamental justice is assured.

Let us hope that there will be no lack of political will to provide this basic human right for our citizens.

Mr. Scott (Skeena): Mr. Speaker, on a point of order, I ask the unanimous consent of this House to make this important motion votable.

Some hon. members: No.

The Deputy Speaker: The member has asked the question. There have been negatives indicated. I understand the hon. member has a second point of order.

Mr. Scott (Skeena) Mr. Speaker, I then ask the unanimous consent of this House to refer this important motion to the Standing Committee on Human Rights and the Status of Disabled Persons for further consideration.

Some hon. members: No.

The Deputy Speaker: The indication has been that there is not unanimous consent to the second request by the member.

Ms. Marlene Catterall (Ottawa West, Lib.): Mr. Speaker, I wanted to raise a couple of points because in the few minutes I have been listening to this debate I have never heard such drivel of such total lack of logic, devious reasoning, and any lack of understanding of a people governing themselves as a community who believe that together we can have a life that is better than the dog eat dog survival of the fittest mode where only the individual and the one with the strongest fangs or the longest rifle survives.

I have heard a suggestion that not having property rights in the Constitution leads to misery and poverty. I have not heard one example of a country which I could challenge where having property rights in the Constitution leads to wealth and joy.

On the contrary, the United Nations has twice deemed this a country, which has never had property rights in its Constitution,

the most blessed country in the world in which to live based on quality of life and standard of living. That alone I think belies some of the arguments we have heard in this House today.

The least we owe Canadians when we use the time of this House is logic, reason and truth. There has been a fair bit of that lacking in this debate.

The Deputy Speaker: The time provided for the consideration of Private Members' Business has now expired. Accordingly, the order is dropped from the Order Paper.

It being 2.30 p.m., the House adjourned until 11 a.m. on Monday, February 27.

(The House adjourned at 2.30 p.m.)

APPENDIX

Address

of

Mr. William J. Clinton,

President of the United States of America

to

both Houses of Parliament

in the

House of Commons Chamber, Ottawa

on

Thursday, February 23, 1995

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• (1505)

[*English*]

Mr. and Mrs. William J. Clinton were welcomed by the Right Honourable Jean Chrétien, Prime Minister of Canada, by the Honourable Gildas Molgat, Speaker of the Senate and by the Honourable Gilbert Parent, Speaker of the House of Commons.

Hon. Gilbert Parent (Speaker of the House of Commons): My colleagues, I call this meeting to order.

Mr. President, it is a great privilege for Canadians to have you address this joint session of the Senate and the House of Commons. We are honoured to have you with us today.

I now call upon the right hon. Prime Minister Jean Chrétien to introduce our distinguished guest.

• (1510)

Right Hon. Jean Chrétien (Prime Minister): Mr. President, it is an honour to welcome you to Parliament on behalf of all Canadians. Before speaking a word in this Chamber, I must say you have already given eloquent proof of the friendship between our two nations by agreeing to visit Ottawa in February.

I would like to tell you, Mr. President, that something very unusual occurred yesterday in this House. By unanimous vote of all members of the House of Commons it was resolved that, very rare in the month of February, we were to have a good spring day for you today.

Mr. President, the cold weather outside that we normally have may be typically Canadian, but so is the warm welcome for you inside today. It is a warmth that we reserve only for our closest friends.

Some hon. members: Hear, hear.

Mr. Chrétien: A great deal has been written and said about the friendship between our two countries. It has not always been an easy friendship which is normal considering one friend is a relatively small nation and the other is the most powerful nation in the world. As one member of this House put it three decades ago, the Americans are our best friends, whether we like it or not.

Some hon. members: Oh, oh.

Mr. Chrétien: Our relationship has grown and evolved through the years. Today, like any mature, healthy friendship, it is a friendship between equals. As friends and neighbours, we are able to separate business and friendship when we must. In the vast majority of cases, we are able to work together, as we always have, toward common goals.

The fact is, Mr. President, that both our administrations were elected on a platform of jobs and growth. We have both focused on a job and growth agenda in office. In each country our agenda has been working with strong, steady and lasting economic recoveries in Canada and the U.S.

[*Translation*]

You can listen to the translation now, Mr. President.

[*English*]

That is the way we do things in Canada, you know.

Some hon. members: Oh, oh.

• (1515)

[*Translation*]

Mr. Chrétien: Our economies have strong links. More trade goes on between our two nations than any other two nations in the world— almost a billion dollars a day, every day. If one country does well, the other benefits. And if both economies are going strong, there is no stopping us. Jobs in British Columbia mean jobs in Washington State. Jobs in Ontario mean jobs in Michigan. Jobs in Quebec mean jobs in New York State.

But our shared goals go beyond our immediate relationship. Both our administrations understand that increased and liberalized trade everywhere means jobs and growth in our countries.

You and I were together in Jakarta in November, when the Asia Pacific countries committed to a free trade zone by the year 2010. And at the conference you chaired in Miami in December, where all the countries of the hemisphere agreed on a Free Trade Area of the Americas by the year 2005.

I want to salute you, Mr. President, for the role you have played in realizing this new vision. And you have not confined this vision to economic matters. You took decisive action in leading the restoration of democracy in Haiti. And you have played a key role in the remarkable breakthroughs in the peace process in the Middle East.

[*English*]

Mr. President, you have understood the forces shaping the modern global economy. You have worked to ensure a new unity and optimism in the hemisphere. You have worked to bring people and countries together. These are all goals that this House and the people across Canada share with you. We are committed to working with the United States and other nations to achieve them.

My recent travels to Asia and Latin America have reminded me that it is more important than ever to have a strong U.S. role in the world. The upheavals of the post–cold war world mean that the United States can and must play a bigger leadership role than ever.

Our own government has outlined our new foreign policy direction. We want to continue Canada's long tradition of promoting global peace and security. We all learned long ago that isolation is much more costly and dangerous than international co–operation.

Mr. President, you may not know it, but among your predecessors who have addressed the Parliament of Canada during your lifetime are Harry Truman, Dwight Eisenhower, Richard Nixon and Ronald Reagan. They all had one thing in common. They were all elected for a second term.

Some hon. members: Hear, hear.

Mr. Chrétien: Now, that might not seem like such a remarkable coincidence. But look at the recent presidents who have not addressed the Canadian Parliament: Gerald Ford, Jimmy Carter and George Bush.

[*Translation*]

I will, however, refrain from drawing any conclusions from that, Mr. President.

As you know, Canada adheres strictly to a policy of non–interference and non–intervention.

[*English*]

Any way you look at it, Mr. President, we are delighted that you have accepted our invitation.

Mr. Speaker, honoured members, senators and dear guests, I give you our friend and neighbour, the President of the United States of America, William J. Clinton.

Some hon. members: Hear, hear.

• (1520)

Mr. William J. Clinton (President of the United States): Mr. Prime Minister, Mrs. Chrétien, Mr. Speaker of the Senate, Mr. Speaker of the House of Commons, hon. senators and members of the House of Commons, distinguished members of the diplomatic corps, ladies and gentlemen; I have pondered for some time the differences between the Canadian political system and the American one. When the Prime Minister pointed out the unanimous resolution you passed yesterday, I realized that in one respect clearly you are superior. We do not control the weather in Washington, D.C. and I am grateful that you do.

Some hon. members: Oh, oh.

Mr. Clinton: I also thank the Prime Minister for his history lesson. I have never believed in the iron laws of history so much as I do now.

Some hon. members: Hear, hear.

Mr. Clinton: I thank the Prime Minister and all of you for welcoming me to this magnificent capital city. The Prime Minister first came to this Chamber to represent the people of Canada when President Kennedy was in the White House. I resent that because when President Kennedy was in the White House I was in junior high school. Now the Prime Minister has less grey hair than I do. And he does, in spite of that fact that since that time he has occupied nearly every seat in his nation's cabinet. The first time I met him I wondered why this fellow could not hold down a job.

Some hon. members: Hear, hear.

Mr. Clinton: I can tell you this, we in the United States know that his service to this nation over so many years has earned him the gratitude and the respect of the Canadian people. It also has earned the gratitude and the respect of the people of the United States.

Some hon. members: Hear, hear.

Mr. Clinton: I know it is traditional for American presidents when they address this body to speak of their affection for their ties to the Canadian people. On behalf of the United States let me stay with that tradition and say l'amitié solide, but let me say to you that it is a big part of our lives.

I remember so well more than a decade ago when Hillary and I with our then very young daughter came to Canada to celebrate the New Year. We started in Montreal and drove to Chateau Montebello. Along the way we drove around Ottawa and watched all those wonderful people skating along the canal. I come from a southern state. I could not imagine that anybody could ever get on skates and stand in any body of water for very long. I can see that Hillary has had in the back of her mind all this long time how much she would like to be skating along this canal. I think tomorrow Mrs. Chrétien is going to give her her wish. We will be looking forward to that.

My wife has visited Toronto and we had a wonderful, wonderful family vacation in western Canada in Victoria and Vancouver back in 1990. It was one of the best times that all of us have ever had together anywhere.

We are deeply indebted to your culture. Our daughter's name was inspired by Canadian songwriter Joni Mitchell's wonderful song "Chelsea Morning".

All of you know that in the spring of 1993, the first time I left the United States as president, I came to Vancouver for the summit with President Yeltsin. Both of us at that time were under some significant amount of stress as we tried to reaffirm our relationship and solidify democracy in Russia. I can say without any equivocation, the reception we received from the people of Canada as well as from the government and the Prime Minister made it very, very easy for us to have a successful meeting. For that we are very grateful.

• (1525)

I come here today to reaffirm the ties that bind the United States and Canada in a new age of great promise and challenge: a time of rapid change when both opportunity and uncertainty live side by side in my country and in yours; a time when people are being lifted up by new possibilities and held down by old demons all across the world.

I came here because I believe that our nations together must seize the opportunities and meet the challenges of this new age. We must, I say again, do this together.

Some hon. members: Hear, hear.

Mr. Clinton: From the oil from Alberta that fires factories in the United States to silicon chips from California that power your computers, we are living proof of the value of partnerships and co–operation.

Technologies produced in your nation saves lives in our hospitals, while food from our farms line your supermarkets. Our horizons have broadened because we have listened in the United States to the CBC.

Our culture is much richer because of the contributions of writers like Robertson Davies, who Hillary had the pleasure of meeting last week after reading him for years, and Margaret Atwood; also, the wonderful photography of Yousuf Karsh, whose famous picture of Churchill I just saw. He took some pictures of Hillary and me that are not so distinguished, but I love them anyway.

As a musician, I have to thank you especially for Oscar Peterson, a man I consider to be the greatest jazz pianist of our time.

Some hon. members: Hear, hear.

Mr. Clinton: Ours is the world's most remarkable relationship. The Prime Minister said, "whether we like it or not". I can tell you that on most days I like it very, very much.

Some hon. members: Hear, hear.

Mr. Clinton: We have to strengthen that relationship. We have to strengthen it for our own benefit through trade and commerce and travel. We have to strengthen it because it is our job to help to spread the benefits of democracy and freedom and prosperity and peace beyond our shores.

We are neighbours by the grace of nature. We are allies and friends by choice. There are those in both our nations who say we can no longer afford to, and perhaps we no longer even need to, exercise our leadership in the world. When so many of our people are having their own problems, it is easy to listen to that assertion. But it is wrong.

We are two nations blessed with great resources and great histories. We have great responsibilities. Our countries were built, after all, by men and women who fled the tyranny and the intolerance of the old world for the new.

We are the nations of pioneers, people who were armed with the confidence they needed to strike out on their own and to have the talents that God gave them shape their dreams in a new and different land.

Culture and tradition, to be sure, distinguish us from one another in many ways that all of us are still learning about every day. But we share core values and that is more important: a devotion to hard work, an ardent belief in democracy, a commitment to giving each and every citizen the right to live up to his or her God–given potential in an understanding of what we owe to the world for the gifts we have been given.

These common values have nourished the partnership that has become a model for new democracies all around the world. They can look at us and see just how much stronger the bonds between nations can be when their governments answered the citizens' desires for freedom and democracy and enterprise, and when they work together to build each other up instead of working overtime to tear each other down.

Some hon. members: Hear, hear.

Mr. Clinton: Of course we have our differences. Some of them are complex enough to tear your hair out over. But we have approached them directly and in good faith, as true friends must. We in the United States come more and more every day to respect and to understand that we can learn from what is different about your nation and its many peoples.

• (1530)

Canada has shown the world how to balance freedom with compassion and tradition with innovation in your efforts to provide health care to all your citizens, to treat your senior

citizens with the dignity and respect they deserve, and to take on tough issues like the move afoot to outlaw automatic weapons designed for killing and not hunting.

Some hon. members: Hear, hear.

Mr. Clinton: I might say, since you applauded so, that you were doing it in a nation of people who respect the right to hunt and understand the difference between law and order and sportsmanship.

Some hon. members: Hear, hear.

Mr. Clinton: Those of us who have travelled here appreciate especially the reverence you have shown for the bounty of God's nature from the Laurentians to the Rockies. In a world darkened by ethnic conflicts that literally tear nations apart, Canada has stood for all of us as a model of how people of different cultures can live and work together in peace, prosperity and understanding.

Some hon. members: Hear, hear.

Mr. Clinton: The United States, as may of my predecessors have said, has enjoyed its excellent relationships with a strong and united Canada but we recognize, just as the Prime Minister said with regard to your relationships to us a moment ago, that your political future is of course entirely for you to decide. That is what a democracy is all about.

Some hon. members: Hear, hear.

Mr. Clinton: Now I will tell you something about our political system. If you want to know why my State of the Union Address took so long, it is because I evenly divided the things that would make the Democrats clap and the Republicans clap, and we doubled the length of the speech in common enthusiasm.

I ask all of you to remember that we do look to you and to remember what our great President of the post–war era, Harry Truman, said when he came here in 1947: "Canada's eminent position today", he said, "is a tribute to the patience, tolerance and strength of character of her people. Canada's notable achievement of national unity and progress through accommodation, moderation and forbearance can be studied with profit by sister nations". Those words ring every bit as true today as they did then.

Some hon. members: Hear, hear.

Mr. Clinton: For generations now our countries have joined together in efforts to make the world more secure and more prosperous. We have reached out together to defend our values and our interests in World War I, on the beaches of Normandy and in Korea. Together we helped to summon the United Nations into existence. Together we stood fast against communist tyranny and prevailed in the cold war. Together we stood shoulder to shoulder against aggression in the gulf war. Now our nations have stepped forward to help Haiti emerge from repression and restore its democracy. I thank the Prime Minister for what he said about that. When it was not popular anywhere in the world to worry about poor, beleaguered, abandoned Haiti, Canada was truly a friend of Haiti.

• (1535)

Some hon. members: Hear, hear.

Mr. Clinton: In one international forum after another we stand side by side to shape a safer and a better world. Whether it is at the World Population Conference pushing together for an indefinite extension of NNPT in any number of ways we are working together.

We know that for Canada this history of action is a matter of deep tradition and personal conviction. The tradition runs from Lester Pearson to Jean Chrétien. It says that we must be engaged in the affairs of the world.

You have always shown the wisdom of reaching out instead of retreating, of rising to new responsibilities instead of retrenching. Your tradition of engagement continues to this day and, believe you me, it earns respect all around the world from people of all races, ethnic groups and political systems.

In places like Cyprus and the Sinai, Canadian troops have played an invaluable role in preventing more violence in those critical hot spots. Today your 2,000 peacekeepers in the former Yugoslavia are courageously fulfilling their mission in the midst of one of the most intractable, difficult problems in our lifetime.

Some hon. members: Hear, hear.

Mr. Clinton: For a half century the United States has shared your philosophy of action and consistent exercise of leadership abroad. I am determined, notwithstanding all the cross–currents in our country, that we shall preserve that commitment.

These times may be turbulent, but we have an historic opportunity to increase security and prosperity for our own people and for people all around the world. I want you to know that I intend to do everything in my power to keep our country constructively involved in the problems that we must face if we are going to guarantee that our children will live in a peaceful, sane and free world.

Some hon. members: Hear, hear.

Mr. Clinton: Imagine what the Persian Gulf would look like today if we had not risen to the challenge of Iraqi aggression. Imagine what tariffs and barriers would plague the world trading system if we had not worked so hard together over such a long period of time from the end of World War II to the events which the Prime Minister described, to the NAFTA, to the GATT, to the Asia–Pacific co–operation, to the Summit of the Americas that was held in Miami in December. Imagine how different it would have been. Imagine how much worse the horrible tragedy in Rwanda would have been if we had not been there to try to

provide essential help in those refugee camps to keep people alive.

We cannot let anyone or anything break this great tradition of our nations. In our partnership we will find the key to protecting our people and increasing their prosperity and the power to reach beyond our shores in the name of democracy and freedom not only because it is right but because it is our interest to do so.

Some hon. members: Hear, hear.

Mr. Clinton: Just before we came down here the Prime Minister and I agreed again that if we are to going meet these new challenges in the 21st century we must adapt the institutions that helped us to win the cold war so that they can serve us as well in the 21st century. We have to do that.

Some have evolved with the changing world. Some have clearly already discarded their old missions and assumed new roles. We have also seen at the end of the east–west conflict the advent of 24–hour financial markets, sudden environmental disasters, the rise of international terrorism, and the resurgence of ancient ethnic hatreds. All these things have placed new demands on these institutions that the statesmen of 50 years ago simply did not imagine.

• (1540)

The 21st century will leave behind those who sit back and think that automatically these problems will be solved. We simply have to face these challenges and ask ourselves what we have to change and how we are going to do it.

For example, to meet the security needs of the future we must work together to see that NATO, the most successful military alliance in all of history, adapts to this new era. That means we must make certain that the inevitable process of NATO expansion proceeds smoothly, gradually and openly. There should be no surprises to anyone about what we are about. We will work so that the conditions, the timing and the military implications of NATO expansion will be widely known and clearly understood in advance.

To parallel the enlargement of NATO we have to develop close and strong ties with Russia. I have worked hard for that and so has the Prime Minister. We must continue working together at the United Nations where our nations have together taken the lead in efforts to reform our peacekeeping operations, to control costs, to improve information gathering, and to make sure we have the right kind of command and control system before the young people who put on our uniforms are put in harm's way.

We have to continue also to work at reforming international economic institutions. We have already made some great strides in reshaping the global economy with the passage of GATT, which is the most comprehensive trade agreement in history. The work is only beginning.

At the upcoming G–7 summit in Halifax, which we are very much looking forward to, we will be working to ensure that our international trading institutions advance the cause of trade liberalization in ways that produce tangible gains for the people of the countries involved.

We also have to re–examine the institutions that were created at the time of Bretton–Woods, the IMF and the World Bank, to make sure they are going to be able to master the new and increasingly complex generation of transnational problems that face us, problems like explosive population growth and environmental degradation, problems like those that we have been facing together in Mexico and throughout Latin America and the recent financial crisis.

Real progress in all these areas will depend not only on our willingness to be involved but our willingness to lead as partners. Together Canada and the United States are striving to seize all the advantages the new global economy has to offer.

We know that trade produces high wage jobs, the kinds of jobs that give our people the opportunity to care for their families, to educate their children and to leave the next generation better off than they were, a dream that has been called into question in many advanced economies in the last few years.

The success of NAFTA, which is generating new jobs and creating new markets from Monterrey to Medicine Hat, is the proof. As the Prime Minister has said so well, we in NAFTA are on our way to becoming the four amigos. That phrase will go down in history; I wish I had thought of it.

Some hon. members: Hear, hear.

Mr. Clinton: We will soon start our consultations with Chile for accession to NAFTA and it will be a very good partner. The addition of that thriving economy will only continue to increase the benefits for all of us.

I want to take another moment here to thank Canada for its recent support and help in the financial crisis in Mexico. You understood what we had on the line, that more than Mexico was involved, that jobs and trade and future and our support for democracy and stability throughout Latin America were at issue. You understood it and we are grateful. Because we stood shoulder to shoulder we have a chance to preserve this remarkable explosion of democracy that we saw at the Summit of the Americas, and we should continue to do that.

Some hon. members: Hear, hear.

Mr. Clinton: I want to say a word, if I might, about the environment. As we expand trade we have to remember we must defend that which we have inherited and enhance it if we can.

• (1545)

The natural riches of this continent we share are staggering. We have co–operated to such great effect on our continent in the past: our air quality agreement is solving the acid rain problem; the Great Lakes are on the road to recovery; the eagles have returned to Lake Erie. Now we have to build on those accomplishments.

With the NAFTA Environmental Commission located in Montreal, your country will play a key role in ensuring that we protect the extraordinary bounty that has been given to us for our children and our grandchildren. NAFTA is only one of several fronts on which we can work together to both increase our prosperity and protect our environment. But we must do both.

Our nations are building on the progress of last year's Summit of the Americas as well. It will create a free trade area embracing the entire hemisphere. Across the Pacific, as the Prime Minister said, we have paved the way for new markets and for free trade among the dynamic economies in the Asian–Pacific area. That was a very important thing for us to do because those nations are growing very fast and we do not want this world to break up into geographical trading blocks in ways that would shrink the potential of the people of Canada and the United States for decades to come.

All these efforts will only enhance what is now the world's greatest trading relationship; yours and ours. Every day people, ideas and goods stream cross our border. Bilateral trade now is more than a billion Canadian dollars every day—I learned to say that—and about $270 billion United States dollars last year. It is by far the world's largest bilateral relationship. Our trade with each other has become an essential pillar in the architecture of both our economies.

Today 4.5 million Americans have jobs that involve trade between our two countries. Those are the concrete benefits of our partnership. Between 1988 and 1994, trade between our nations rose about 60 per cent. Last year alone it increased by 15 per cent. But the statistics do not give the human reality behind the flourishing exchange of goods and ideas. Our trade is creating real jobs for real people.

In Boscawen, New Hampshire, for example, a small company called Secure Care Products produces monitoring systems for patients in nursing homes. Recently Secure Care began exporting its products to Canada. Sales are already growing fast and the company expects them to triple this year. And so Secure Care is hiring people like Susan Southwick, the granddaughter of a Quebecer, the mother of two and now the company's 26th employee, giving Susan and her husband a shot at the dream which Canadian and Americans share. That is what this partnership is all about.

Much further away from you in Greensboro, North Carolina, another small company called Createc Forestry Systems is showing how our trade helps people turn their hopes into realities. Founded by a man named Albert Jenks in his family's kitchen, Createc makes hand–held computers that track lumber mill inventories. Those computers help managers assess their needs better, so fewer trees are cut unnecessarily.

A few years ago Createc began to export to Canada, and now those sales accounts have risen to nearly 20 per cent of their total business. That means a more secure future for the company, for Mr. Jenks, for his son Patrick, who works with his father in the family business. It shows how our trade can increase our prosperity and protect the environment as well.

Your companies are thriving in our markets, bringing tangible benefits to Canadians. Whether it is repairing the engines of some of the U.S. air force's largest planes or manufacturing software to manage our natural resources or building some of the Olympic village for Atlanta's 1996 games, Canadian firms are a strong presence in the United States. Their successes there help your people to turn their hopes into facts and their dreams into reality.

The example of our biggest industry shows another side of this remarkable story. Working together, U.S. and Canadian companies have integrated North America's auto industry and staged one of the most remarkable comebacks in all the history of the industrial revolution. We have drawn on each other's strengths, and today our companies work so closely that we do not speak any longer of U.S. or Canadian content in these vehicles, but of North American content, whether it is a Chrysler Minivan made in Windsor or a Chrysler Jeep made in Detroit. I think that was the ambassador from Michigan—I mean from the United States—clapping down there.

• (1550)

Productivity and employment have risen to such a point that when I visited Detroit last fall the biggest complaint I heard from the auto workers in a state that was given up as being lost economically a decade ago was that they were working too much overtime. Where I come from that is known as a high class problem. The auto industry now provides more than one million jobs in our countries.

To reinforce our commitment to NAFTA and to dramatically expand an important market tomorrow, our nations will sign an agreement to open the skies between our two nations. This agreement, which allows for a dramatic expansion of U.S. and Canadian service to each other's nations, will create thousands of new jobs and billions of dollars of economic activities in our cities, yours and mine.

We have reached a fair solution that will make life easier for travellers on both sides of the border, that will profit both Canadian and U.S. airline carriers, that will increase the mutual travel and interconnections of our people. That we have done so amicably provides yet another model of how neighbouring nations can settle their differences.

Friendship and engagement. Canada and the United States have shown the best there is in partnerships between nations: all the great potential that awaits all the free peoples of this earth if they can join in common cause. We are, as the monument at the St. Lawrence Seaway declares, two nations whose frontiers are the frontiers of friendship, whose ways are the ways of freedom, whose works are the works of peace.

Every day we see the enormous benefits this partnership gives to us in jobs, prosperity and the great creative energy that our interchanges bring. We have only seen the beginning. For the Susan Southwicks who want a chance to build better lives and the companies like Createc that are trying to build solid businesses that will last, this partnership holds a great promise with all the vast horizons of our great continent.

Together we have turned our energies toward improving the world around us for nearly a century. Today, more than ever, let us reaffirm and renew that great tradition. Let us engage and confront the great challenges of the end of this century and the beginning of the next. We must sustain our efforts. We must enhance our efforts. We must maintain our partnership. We must make it stronger.

This is our task and our mission. Together we will be equal to it. A border separates our peoples, but there are no boundaries to our common dreams.

Thank you and God bless you all.

Some hon. members: Hear, hear.

Hon. Gildas Molgat (Speaker of the Senate): Mr. President and Mrs. Clinton, monsieur le premier ministre et madame Chrétien, monsieur le Président de la Chambre des communes, Your Excellencies, membres distingués du Sénat et de la Chambre des communes, mesdames et messieurs.

• (1555)

Mr. President, it is my pleasant task to thank you but no words that I could express could thank you better than the applause and the standing ovations which you received this afternoon.

We are all honoured, Mr. President and Mrs. Clinton, by your presence and we welcome the many American friends who have joined you in this voyage to Canada.

We appreciate your warm expressions of friendship and assure you that we hold you and your great nation in great esteem, our valued neighbours.

Many statesmen from across the world have addressed both Houses of Parliament in the past, but none have been more welcome than the American presidents and all have spoken eloquently, as you have today, of the close friendship between our two nations.

Mr. President, you referred earlier today at lunch time to the words of President Kennedy when he addressed our Parliament in May of 1961. I will repeat part of his comments which you mentioned: "Geography has made us neighbours. History has made us friends. Economics has made us partners and necessity has made us allies. Those whom nature has so joined together let no man put asunder. What unites us is far greater than what divides us".

[*Translation*]

Mr. President, the world has changed a great deal since 1961, but his remarks hold just as true today.

[*English*]

Mr. President, while history and nature have joined us together for many purposes, they have also made our two countries very different. It is therefore very important that we not take each other for granted.

It is important that our leaders and the members of their respective cabinets meet on a regular basis to co–ordinate policy and hopefully to iron out difficulties and disagreements before they arise.

Mr. President, we are happy to have you with us. We thank you for your inspiring words. We hope you will return.

Some hon. members: Hear, hear.

Mr. Speaker Parent: Mr. President and my colleagues. Mr. President, when you were in my chambers a little earlier I was explaining to you how we got the name to be Speaker. For about a year now, although I have been Speaker, they have not allowed me to speak in this, our own House of Commons.

Mr. President, your words and your presence in this Chamber underscore the profound friendship that our peoples have developed over many generations. Our relationship does stem from the fact that we are neighbours but its strength, Mr. President, derives from the fact that we share more than a common boundary. The 49th parallel is not so much a line that divides us as a place where two great nations come together.

Canada and the United States were built by immigrants, men and women who shared similar aspirations, a spirit of adventure and a sense of freedom, of equality, of democracy. When these immigrants came here they were met by our aboriginal people, whom we must never forget.

Some hon. members: Hear, hear.

Mr. Speaker Parent: Our common values are embodied in our institutions, and while Congress and Parliament may be similar, they are a study in contrast because they reflect our distinct traditions and national characters. However, Mr. President, they are built with the same mortar, democratic values and liberal values that form our common heritage.

• (1600)

Proximity also has its rewards. Like many Canadians I had the chance to attend American universities and many Americans have studied here in Canada. You may be interested in knowing, Mr. President, that five of our parliamentarians were born in the United States.

[*Translation*]

Our friendship is not based so much on our personal interests as on the values and ideas shared by our two countries. Throughout this century, we have worked together to promote these values. Our soldiers fought side by side and many of them died defending them.

Fifty years ago, we paid an enormous price in human lives to help bring peace to Europe. Together, Canadians and Americans helped create the United Nations and establish an international order dedicated to peace and democracy.

[*English*]

Our international co–operation has taken many forms. Together we have been liberators and we have been peacekeepers. We have liberalized world trade, promoted human rights and fostered the rule of law.

Mr. President, very gently I remind you that 15 years ago a Canadian diplomat sheltered and secured the freedom of American citizens in danger. On that occasion we were reminded that we can and we will count on each other when it really matters because our friendship is so sacred.

Some hon. members: Hear, hear.

Mr. Speaker Parent: The men and women before you in this Chamber, Mr. President, are the face of Canada and they are the expression of our democracy. Yes, Mr. President, you do us great honour by speaking to Canadians in this Chamber.

As Speaker of the House of Commons may I offer a renewed expression of our respect and warm affection for you, for Mrs. Clinton and for all of our American friends.

Thank you, Mr. President.

I now adjourn this meeting.

HOUSE OF COMMONS

Monday, February 27, 1995

The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

[*English*]

CANADIAN VOLUNTEER SERVICE MEDAL FOR UNITED NATIONS PEACEKEEPING ACT

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.) moved that Bill C–258, an act respecting the establishment and award of a Canadian volunteer service medal and clasp for United Nations peacekeeping to Canadians serving with a United Nations peacekeeping force, be read the second time and referred to a committee.

He said: Mr. Speaker, Canadians take great pride in the Canadian forces record of peacekeeping throughout the world, a record which has brought praise from many quarters and has established Canada at the forefront of nations doing their part to foster a peaceful world; a world in which human values and needs are not only respected but also supported.

Bill C–258 is an act respecting the establishment and award of a Canadian volunteer service medal for peacekeeping to Canadian peacekeepers having served with a United Nations peacekeeping force. It also incorporates a clasp to be attached to the medal ribbon if the individual qualifies for the Nobel peace prize won by Canadian peacekeepers in 1988.

Recognition would not be limited to Canadian forces personnel but would also include Royal Canadian Mounted Police and other Canadian citizens who qualify.

At the moment there is no means to provide distinctive Canadian recognition for the risks they have taken and the contribution they have made. Thus, there is a deficiency in our honours and award system.

Peacekeepers do receive United Nations medals for such service. The United Nations medal awarded to Canadian peacekeepers is proclaimed by His Excellency the Governor General in Council on the recommendation of the Prime Minister as a Canadian medal and therefore in the order of precedence in the Canadian honours system.

Canada does not have its own peacekeeping medal. According to our honours and awards committee, the United Nations medal adequately fulfils Canada's obligation to recognize our peacekeepers' contribution to our country.

However, the Canadian Peacekeeping Veterans Association does not agree, and after substantial consultation with many other interested individuals and organizations, nor do I.

Indicative of this feeling, a request for distinctive Canadian recognition submitted to the Canadian honours and awards committee by the president of the Canadian Peacekeeping Veterans Association was endorsed by many members of this house, a goodly number of whom now sit on government benches. However, the committee denied the submission, deeming the United Nations medals to be sufficient recognition.

The honours and awards directive reads: "In Canada today granting honours is a gracious, tangible, and lasting way to pay tribute to people whose achievements are exceptional, who have performed outstanding acts of bravery or who have benefited Canada or humanity in general". To be completely up front, it also states: "Not more than one honour should be given for any specific achievement, act or service".

I assure you that I have no wish to dilute the justification, meaning or stature of a Canadian medal, but there is a Canadian precedent. In addition to the 1939–45 war medal, and the 1939–45 star, if they served in any area of conflict, those who served outside Canada during the second world war were awarded the Canadian volunteer service medal as well as any campaign medals for which they qualified.

Also, in June 1991, some 40 years after the fact, a Canadian volunteer service medal for Korea was approved by the Queen's Privy Council for presentation to Canadian military personnel who participated in the Korean war in addition to the United Nations medal won by veterans of that conflict.

It is this same recognition I now seek for our peacekeepers. Other countries like Belgium, Ghana, Ireland, the Netherlands, and the United States already have distinctive national medal awards for their UN peacekeepers.

In introducing Bill C–258, I acknowledge that similar private members' bills have been submitted in previous Parliaments but unfortunately were not drawn for debate.

During the last Parliament the Standing Committee on National Defence and Veterans Affairs recommended that a Canadian volunteer service medal for UN peacekeeping be established to recognize the service of Canadian military and non–military personnel who have served on peacekeeping missions. Parliament was dissolved before the government was able to respond to that recommendation.

There are Canadian awards for bravery and valour at home in peacetime, awards for bravery, valour and service in time of war, but despite the discomfort, dislocation, family disruption, danger and sacrifices made by our peacekeepers, we have no Canadian medal for peacekeeping. Regarding sacrifice, according to records maintained by the Canadian Peacekeeping Veterans Association 147 Canadian peacekeepers have made the supreme sacrifice for our country.

• (1110)

On June 11, 1984 a special service medal was authorized to recognize service under abnormally difficult conditions for an extended period. The medal is always awarded with one of four bars on which is engraved the nature of the special service. One of these bars is designated peace*paix and humanitas. The other bars approved and awarded with the special service medal are for service in Pakistan, 1989 to 1990; service with the North Atlantic Treaty Organization since 1951; and Canadian forces station Alert in the Northwest Territories.*

What the special service medal does in the case of the peace bar is recognize those who participated in peacekeeping or humanitarian activities which for a number of reasons, but normally for length of service, did not qualify for a United Nations medal. According to award criteria this medal may not be awarded along with another medal recognizing the same service such as the United Nations medal.

While the special service medal properly fills one gap in our recognition of service, it does not provide that distinctive Canadian recognition for our peacekeepers who have been awarded United Nations service medals. Thus, their contributions around the world with the attendant honour and stature they have brought to our country remain unacknowledged by Canada.

Yet as I said at the beginning, Canada and Canadians take great pride in the contributions that we as a country have made to peacekeeping operations throughout the world. Unquestionably most Canadians know and are proud that these efforts have added to our stature in the world community.

In September 1988 Canadians took pride in their peacekeepers' having been awarded the Nobel peace prize. The clasp proposed in addition to the peacekeeping Canadian volunteer service medal would recognize those people who won that honour for Canada.

A peacekeeping memorial monument has been erected here in Ottawa to honour our peacekeepers and that is important, but a monument does not provide individual recognition.

We Canadians should take more pride in ourselves, in our institutions, our history and our heroes. In this vein there is widespread support for unique Canadian recognition of our peacekeeping forces. We ask them to leave their friends and families to face harsh conditions, difficult situations and are consistently rewarded by their excellent responses to these challenges.

We tend to be slow to recognize our deserving citizens. It seems to be a Canadian trait: 40 years to recognize Korean veterans, 50 years to recognize Dieppe veterans, 55 years and still counting for Hong Kong veterans. A peacekeeping Canadian volunteer service medal and the clasp for the Nobel peace prize can be one of our unifying symbols. Its recipients would come from all walks of life, from every province, from Canadian citizens who represent most if not all our broad variety of ethnic backgrounds, the common denominator being their shared loyalty to and willingness to serve our country.

I want to quote from a 1943 directive issued by General Guy Simonds to his commanders in the First Canadian Division. In it he said:

> The final criterion of a good or bad award is the reaction of the troops. If the troops feel it is a good award, it is a good award. If awards are criticized by the troops, they are bad awards. Before forwarding any recommendation, at each level the commander should ask himself the question: "Would the front line soldier, if he knew the facts, consider this well deserved?".

Bill C–258 is supported by the Canadian Peacekeeping Veterans Association, by the Canadian Association of Veterans in United Nations Peacekeeping, by serving and retired members of the Canadian forces, by many members of this House and by many Canadian citizens who have written or called my office.

We need only think back to the comments made by His Excellency the Right Hon. Romeo LeBlanc, Governor General of Canada, at his installation on the eighth of this month.

• (1115)

Addressing the media in his remarks he said: "There is wonderful news out there and some of it you have covered magnificently. I recall the story you told us of Canadian peacekeepers in the former Yugoslavia who put down their weapons to pick up and comfort orphan children, abandoned by their terrorized caregivers. This is Canadian compassion in uniform and we have seen it many times and in many places, from Gaza to Cyprus to Rwanda".

Going on, he said: "It is for this reason that I requested that former Canadian peacekeepers be among today's guard of honour, the first guard of honour I shall inspect as Governor General and as Commander in Chief."

Thus it would seem that despite the reluctance of our honours and awards committee to agree, if we use General Simonds' criteria as a measure, a Canadian volunteer service medal for peacekeeping would qualify as a good award. It would seem obvious from what our Governor General has said, that he too supports the need for Canadians to recognize our peacekeepers.

As a Reform member of Parliament it would be inappropriate for me to recommend an award without considering the cost it will entail. It is estimated that the medal will cost between $5 and $7 a copy and added to that will be the cost of administration and postal charges. As of January 31, 40,594 Canadian forces personnel have served or are serving as peacekeepers. They have fulfilled a total of 52,577 tours of duty.

Additionally, since this recognition would also be extended to members of the Royal Canadian Mounted Police and Canadian civilians who qualify, their numbers must also be considered. I am unable at this time to determine how many they might be, but I believe it would be reasonable to project that the total qualified recipients, including the Canadian forces, are unlikely to exceed 50,000 in number.

If we double the maximum estimated price for the medal, to account for administrative and postal charges, we come to a maximum probable expenditure of $700,000; a lot of money, but it seems a small price for Canadians to pay to properly recognize those of our citizens who have brought lifesaving intervention, compassion and assistance to so many, and such great honour and credit to Canada.

I understand that when the private members' bill committee was considering the status of this bill, it might have received some erroneous information which, in turn, may have influenced its decision not to make this bill votable.

We have an obligation to conserve that which is most noble in our past, to respect the wishes of those veterans who have sacrificed so much, to maintain an honour system that both reflects our Commonwealth traditions and establishes uniquely Canadian symbols.

I want to repeat the honours award directive I quoted earlier: "In Canada today granting honours is a gracious, tangible and lasting way to pay tribute to people whose achievements are exceptional, who have performed outstanding acts of bravery or who have benefited Canada or humanity in general."

Too often in today's society we are slow or fail to give recognition which is due. If we, as parliamentarians, are to take action to afford appropriate Canadian recognition to our peacekeepers, it is important that we give this bill a status which will enable us to exert the maximum influence to achieve that aim. Therefore, I ask for the unanimous consent of the House to designate Bill C–258 as a votable item.

The Acting Speaker (Mr. Kilger): I wonder if I might seek some clarification from the hon. member for Saanich—Gulf Islands who brought this motion to the House.

In his closing remarks he asked for the unanimous consent of the House. I want to be certain that, in fact, that request was being made by the hon. member.

Mr. Frazer: Mr. Speaker, if I may, I would like to enter that motion.

The Acting Speaker (Mr. Kilger): The House has heard the terms of the motion. The hon. member for Saanich—Gulf Islands is asking for unanimous consent to make this motion votable. Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

• (1120)

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I rise to offer my comments on Bill C–258, an act which would establish a Canadian volunteer service medal for peacekeeping.

We on this side must sincerely congratulate the hon. member for Saanich—Gulf Islands for his diligence in bringing this important matter before the House. We share with him a strong desire to give fitting recognition to Canadians who serve in these vital and often dangerous operations.

[*Translation*]

However, I regretfully cannot support this initiative and I want to use the time allocated to me today to explain my position to my hon. colleagues.

[*English*]

The first and most fundamental reason is that to create a decoration in this manner would run counter to the customs, traditions and procedures by which honours are granted in Canada.

As hon. members know, the powers of the crown in this country fall into two classes. The first are the powers that the crown exercises under statute law subject to the approval of Parliament. The second class of powers are those that are encompassed in what is called the royal prerogative.

These powers, which have their ancient roots in history, are not exercised with reference to Parliament. This is not to say that they are applied arbitrarily. Normally they are exercised by

the crown acting on the recommendation of the governor general in council. That is the way it is done in this country.

There are problems of substance and application with respect to this bill, not with respect to the spirit. The bill proposes a volunteer service medal. This terminology echoes the second world war. A special medal was created then to recognize those who had volunteered as opposed to those who were conscripted for service. Today all Canadian military personnel are volunteers.

The bill is also retroactive to the first UN mission in 1947. This means that more than 150,000 persons would be eligible. But there is a more basic difficulty. This approach to the creation of honours would confine us to a narrow, tunnel vision view of needs and options. This is a serious practical drawback.

In order for medals, decorations and other honours to be meaningful, decisions about their creation and criteria must be made in context. For that reason many nations have established carefully crafted systems for the creation and award of honours. Canada has done that.

We have a Canadian honours system. That system was put in place in 1967. It includes a committee which advises the government on how the system should work. The honours policy committee has a broad mandate. It looks at the whole roster of occasions for honours and decoration, peacekeeping operations included.

It surveys the total population of potential recipients of honours. The committee makes its recommendations on the basis of certain clear principles. One is the requirement that people be honoured equally in relation to their contribution and that no one be overlooked. Another function of the honours system is to avoid debasing the coinage of honours by duplication or by the indiscriminate authorization of awards.

The honours policy committee can live up to these principles because it is able to see the whole picture. It is a proactive body. It seeks to search out and eliminate any inequities in the system. Periodically it surveys the honours scene in Canada to make sure that all Canadians who contribute to peacekeeping are treated equally and recognized publicly.

The committee makes it its business to consult with veterans and other groups. It looks at these matters in an international context. It is important, as we consider these matters, to remember that peacekeepers, ours and everyone else's, are honoured not only by their nations but by the international community.

The obvious example, but not the only one, is the United Nations which has created 28 medals to recognize the service of women and men from many lands who take part in various UN actions. Medals have also been struck by organizations other than the UN and many Canadians wear them proudly as their own.

[*Translation*]

I think that, in a way, these decorations are the most eloquent. Sooner or later, after serving side by side in peacekeeping operations, these men and women return to their units in their respective countries.

By wearing these decorations on their uniforms, they celebrate a comradeship in arms that transcends the differences among nations. These decorations proclaim that we are all serving the common cause of peace.

No award system, whether national or international, is perfect.

• (1125)

It is therefore quite possible that, for technical reasons, some Canadian peacekeepers would not meet established criteria, thus missing out on awards recognizing their contribution.

[*English*]

One common example is air crew who quite often fly missions related to UN peacekeeping operations without becoming officially attached to those operations. The Canadian honours system recognizes these anomalies exist and precisely for that reason we have the Canadian special service medal with peacekeeping bar.

To sum up, this bill, worthy though it is in objective, would not in my opinion succeed in the goal of honouring equitably the contribution of Canadians. Indeed it would work counter to that goal. For that reason, with great regret and with very great respect for the spirit in which it has been brought forward by the hon. member, I am unable to support it.

[*Translation*]

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, Bill C–258 put forth by the hon. member for Saanich—Gulf Islands respecting the establishment of a Canadian Volunteer Service Medal and Clasp for United Nations Peacekeeping is a way to recognize our military volunteers for their contribution to peacekeeping missions around the world.

I would like to take this opportunity to salute the courage and dignity with which our servicemen and women carry out their difficult task on peacekeeping missions abroad. They deserve our admiration and full support. I also have a thought for their families who also go through difficult times worrying about them.

Our forces are not new to this kind of operations. A leader in peacekeeping, Canada has gained in this area experience and expertise that has earned it respect worldwide. It should be noted that since the end of the cold war, regional conflicts and thus the need for restoring and maintaining peace have been increasing.

While a general war is highly unlikely in the present circumstances, we must recognize however that a high level conflict could erupt from any given regional confrontation, should it escalate.

The end of the cold war brought about a new world order characterized by a degree of uncertainty, instability as well as some new tensions. The democratization process under way in Eastern Europe is a good example of the ongoing changes. The instability caused by this transition is rekindling national vitality because of newly rediscovered collective identities.

So, in the context of a security policy, we must help countries such as those of Eastern Europe and the former Soviet Union that choose to become democratic. It must be pointed out that the emergence of new States did not result in chaos everywhere. National emancipation movements carried out though legitimate institutions materialized peacefully.

For example, the Czech and Slovak republics peacefully severed their federative ties. Similarly, Slovenia and the Baltic States achieved independence in an orderly and democratic fashion. That is how they were able to have their sovereignty readily recognized by the international community.

Another case in point is the Ukraine, the independence of which Ottawa was the first capital to recognize after the referendum won by the sovereignists.

We have no intention of burying our heads in the sand and ignore the constraints and challenges that come with the new world order.

• (1130)

Thus, Canada, as well as an eventual sovereign Quebec, must continue to actively promote democracy. It should be pointed out that, before being perceived as a thorn in our diplomatic efforts and commitments abroad—I am referring of course to the unfortunate events which occurred in Somalia—the contribution of our military personnel to peacekeeping missions made Canadians and Quebecers very proud of their forces.

The situation in the former Yugoslavia, in Bosnia, in Rwanda and in Somalia was unprecedented and here is why. The apparent futility of our efforts, the risks involved for our soldiers, the astronomical figures which circulated regarding the costs of these operations, as well as the complexity of the political and military situations in these countries undermined the public support which, until then, was enjoyed by such operations. While in line with previous similar commitments, our peacekeeping mission in the former Yugoslavia quickly took on a very different nature.

The operation in Slovenia and in Croatia was truly a peacekeeping mission. In that sense, our troops had the responsibility to ensure compliance with already concluded peace agreements. However, their role in Bosnia, Rwanda and Somalia had very little to do with traditional types of intervention. Canadian troops found themselves in a theatre of war, caught between belligerent factions. How can you maintain peace in a country where peace does not exist in the first place, where a political settlement has yet to be reached, and where every ceasefire is violated? That is when things started to deteriorate, particularly after the whole world was able to see on television unbearable atrocities which we thought no longer existed, but which are indeed very real.

There are lessons to be drawn from these operations. Canada's future interventions will have to meet more specific criteria. For example, the costs and complexities of modern–day interventions require the emergence of a new culture on the part of the strategists and the troops which will participate in future peacekeeping missions. Moreover, the recent events in Haiti reminded us of the need to base our interventions on democratic legitimacy and careful planning.

It is important to clearly define, with the United Nations, specific objectives and tasking orders. The Bloc Quebecois feels that one of the primary duties of Canadian forces on the international scene must be to support, through participation, peacekeeping operations. In the future, our troops will have to be disciplined, trained to face the rigours of armed conflicts, adequately equipped, professional in their approach, and under good command.

I will support Bill C–258, but I want to point out that the candidates who served with a UN peacekeeping force and are eligible to receive the medal and clasp must meet criteria which are still not known and which will have to be clearly defined.

[*English*]

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, in speaking in support of Bill C–258 I have to ask the basic question of why a medal, or for that matter, why a Canadian medal. I would like to cover the ground here by trying to describe what is happening to our country in relation to this medal as an example.

• (1135)

Medals generally are a reflection and a record of our history as a country, of our independence and of our associations. The key word is independence. Looking at our history as a country over the last 100 years we find we have ties to the United Kingdom. In times of war these ties have been rather firm and very loyal. That does not necessarily change over the years but it does in another sense. The loyalties are still there but other loyalties are built up.

We can look at the issue of wartime service in World War II, the creation of a Canadian army, the creation of the third largest navy in the world, and the expansion of the Royal Canadian Air Force. This gives us a good measure of the emergence of Canada

as a nation on its own without defaulting what has happened and what the ties are to the United Kingdom.

In looking at our history we have to look at our loyalties. We certainly have had a loyalty to Great Britain. We have had a loyalty to our other allies, be it the United States or France. We have developed over the years new and greater loyalties to the United Nations and the North Atlantic Treaty Organization. However, among all of these loyalties, associations and services we have a greater basic loyalty which is to Canada. We must allow our basic loyalty to ourselves to emerge.

The proposer has mentioned, and I would like to bring it out again, that this bill in no way attempts to usurp the royal prerogative of the Queen's Privy Council for Canada or the Prime Minister or the honours policy committee to establish honours and awards. Rather, it gives the government the opportunity to respond to the report of the House of Commons Standing Committee on National Defence and Veterans Affairs which recommended that such a medal be established to recognize the service of the Canadian military in peacekeeping. That is the nub of it all.

A committee of this House is saying that we are Canadians and that we must do something to recognize what Canadians are doing. I did hear the words from the hon. member for Halifax explaining that there are entanglements and we should not remove this royal prerogative. I agree with this to a degree, but our greatest loyalty once again must be to ourselves.

We are moving in the direction of being our own authority in this country. From the Statute of Westminster back in 1933 and over the years we are continuing to move in that same direction.

When it comes to the issue of medals we have already heard that we are coming up with belated recognition for things such as Korea. When I came back from Korea in 1952 I was awarded a United Nations medal and a British Commonwealth medal for service in that country.

• (1140)

Forty years after the fact Canada belatedly decided it should issue its own medal for this service. Several years ago it came up with the Canadian volunteer service medal for Korea. It has now also come up with other awards in recognition of Canadian service which include: the 1983 special service medal; the Dieppe clasp, Dieppe occurred over 55 years ago and we have only come to provide belated recognition of it; and for the merchant marines. Service by the merchant navy took us 50 years to recognize.

We have received belated and sometimes no recognition at all. Hong Kong has been mentioned. This country has not yet recognized the service of our people in Hong Kong 55 years ago. There is no recognition of what I believe was called the ferry command. Civilians and military alike were ferrying aircraft from Canada and the United States over to the war zone in the U.K.

We are moving in that direction but we are dragging our feet. To give another illustration of moving somewhat in the same direction, I participated in a non–United Nations peacekeeping effort in 1973. We went to Vietnam to replace the old, almost useless international commission for supervision and control. I should not say useless; it was hamstrung. Its hands were tied as to what it could do.

In any event in 1973, Canada along with Indonesia as another representative of the western world and Poland and Hungary sent a non–UN commission, a quadripartite commission to Vietnam to oversee whatever peace we could muster out of that sad country. As a result of that I was asked to head up a committee to strike a medal. It was a very interesting experience.

A committee of four got together, one representing each of the four countries. We designed a medal. We designed a ribbon incorporating the colours of the four countries involved: red–white, red–white, red–white, and red–white–green. We came up with a unique medal. It was certainly unique in its execution because it was hand forged in a back alley of Saigon. Nevertheless we came up with a medal of our own for issue to the 1,000–plus members of that specific commission.

The illustration of this is that you can do things on your own or in concert with others. We did it quickly. We did it inexpensively. We came up with a unique medal in observation of that specific enterprise.

I see that other countries have issued their own medals. Ghana, Belgium, the Netherlands, the United States, and Ireland are issuing their own UN medals. Canada is first among equals in United Nations service. Surely if there is any country in the world that must have its own UN service medal, it is Canada.

In conclusion, since my colleague was unable to get unanimous approval to designate Bill C–258 as a votable item, I would ask that we unanimously vote to refer the bill to the Standing Committee on National Defence and Veterans Affairs. Let us get together and at least refer the bill to that committee so that it can assess the merits of the bill in proper time. Therefore I move:

> That Bill C–258, an act respecting the establishment and award of a Canadian Volunteer Service Medal and Clasp for United Nations Peacekeeping to Canadians serving with a United Nations peacekeeping force, be not now read a second time but that the order be discharged, the bill withdrawn and the subject matter thereof referred to the Standing Committee on National Defence.

• (1145)

The Acting Speaker (Mr. Kilger): The House has heard the terms of the motion. Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

Mr. George Proud (Hillsborough, Lib.): Mr. Speaker, it is a pleasure for me to speak today in favour of the bill put forward by my colleague from Saanich—Gulf Islands.

We hear everyone praising our peacekeepers. We talk about our peacekeepers everywhere we go. It is a Canadian tradition. Every high school student in Canada is taught that the Right Hon. Lester B. Pearson invented peacekeeping in the 1950s to defuse the Suez Canal crisis. Yet it seems to me at times that we certainly as governments over the last number of years have been ashamed of that fact. We have never seen fit to give a medal to our own Canadian peacekeepers, as was mentioned so eloquently a moment ago by the hon. member for Nanaimo—Cowichan.

I have listened to the debate over the last five years in the House and when we brought the matter before the Standing Committee on National Defence and Veterans Affairs. There has to be a better way of recognizing our military people. Canadians have served in practically every peacekeeping effort since the Suez crisis from Cyprus to Cambodia and from Pakistan to the Israeli withdrawal from Egypt.

Our peacekeepers have served Canada and the United Nations well. They have brought honour to our country and they should be appropriately recognized. For a country with our tradition it is only fitting that a government strike a volunteer service medal for those Canadians who served in peacekeeping operations.

We are not talking about special treatment of privileges. We are talking about honour. Right now, as has been mentioned many times here, our peacekeepers receive a medal from the United Nations for their service. However they do not receive a medal from their own country. That is a shame.

Some people have suggested that such a move is unprecedented. That is not so. As has been said today, the volunteers in Korea have received a Canadian medal to commemorate their service to peace. Granted, they waited 40 years and probably would never have received it except that we committed troops at the time of the gulf war in 1991. At that time it was deemed to be a special area and a medal would be struck for that. It was pretty hard for the government not to come through with a medal for the Canadian people who served in Korea.

We tend to play down this business of giving medals to our troops who serve in various areas. Maybe that has some merit at times. There are countries that some people think give too many medals. I have come to know a lot of the people who participated in peacekeeping efforts around the world in the last number of years. We have come into our own as a country. We have served in every conflict in this century. I believe the time has come to change the rules if that is what we have to do.

• (1150)

No one has said anything about the royal prerogative, but maybe it is time that we took a look at the way things are done. We are great people in the House of all political parties for saying it is time for change. I found last summer as we travelled the country looking at our defence policy that sometimes it was hard to change things. Sometimes it is hard to change minds, even though we all go in with grandiose plans for making things work differently.

It would be a shame if we fail to provide recognition of our peacekeeping veterans, the same recognition we gave to people who served in the Korean war and the first and second world wars. I do not think these people should have to wait 40 and 50 years for the government to give them credit where credit is due.

Canada is a country that is called on. We have more missions going now than we have had for many years. We are always ready to do our part even with dwindling resources and not the best equipment that our people should have out there. We do not hear them complain about it. We see letters from organizations across the country urging us to support the bill that we bring forward a peacekeeping medal and clasp for our peacekeepers.

We have not gone far enough in this age. We talked about it, as I said, in 1990 in the Standing Committee on National Defence and Veterans Affairs. Perhaps, as has been suggested, it should lie with this committee to bring forth a way of doing it without having the wrath of the government against us or the wrath of those in Parliament who do not believe these things are noble or necessary.

We should be ashamed of ourselves as governments and as parliaments for not having done something sooner. The gulf war had to come along before the Korean veterans were recognized with their own distinctive Canadian medal. I see nothing wrong with the soldiers getting the United Nations medal and one from our own country.

At the end of the day I hope there is some resolve that we can send the matter to committee and have some recommendations come forward. I do not believe for a moment we are doing anything wrong by recommending that we give this medal to our peacekeepers. It would be a great day in our country if we could do that. We can sit here and talk about all the rules to stop this legislation. They are there, but I do not see why we cannot come up with some way to change them and make this medal a reality.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, it is my pleasure to rise in the House today to speak to the bill presented by the hon. member for Saanich—Gulf Islands.

The bill which I strongly support has as its main purpose the establishment of a volunteer service medal for members of the Canadian Armed Forces who have served in peacekeeping missions under United Nations command. In my view and that of many others this is a long overdue idea that deserves to be considered very seriously by the House and by the Canadian government.

As we all know Canada has been involved in UN sponsored operations since the 1940s. Canada has also been the most constant and faithful contributor of troops to peacekeeping missions. In return our involvement in areas like Lebanon, Cyprus, El Salvador and Cambodia has truly been a source of pride for all Canadians.

• (1155)

While we have taken pride in this heritage of service abroad, we have failed to adequately recognize the efforts and the courage of thousands of servicemen and women who have answered without question the call of the Canadian government whenever it has sounded.

Under present guidelines Canadian peacekeepers do not receive a distinctively Canadian medal. Ever since 1949, the year of the first UN sponsored military observation mission in India–Pakistan, Canadian service men and women have not been formally honoured by the Government of Canada by the awarding of a Canadian medal. The medals awarded to date have been issued by the United Nations thereby making them foreign awards. This oversight, which hopefully cannot be interpreted as a lack of gratitude, must be remedied.

In the words of a former peacekeeper, now a member of the Canadian Peacekeeping Veterans Association, the adoption of Bill C–258 is "an opportunity to help right the wrong". Canada's reputation as a country concerned with peace around the world is in large part attributed to the professional ability and courage of past and present peacekeepers. The role that Canadians have taken in UN peacekeeping is recognized throughout the world. It is now time for the Canadian government to do the same.

Today I will try to explain why in my personal view this is such a timely initiative. The idea of establishing a Canadian volunteer service medal for United Nations peacekeeping has a great deal of merit, not the least of which is to bring Canada up to par with other peacekeeping contributing nations such as Belgium, the Netherlands, France, the United Kingdom and the Republic of Ireland which already award their own peacekeeping medals in addition to those awarded by the United Nations.

The new medal would also give visual recognition of the great honour that was bestowed upon Canada by our peacekeepers when the United Nations peacekeeping operations won the Nobel prize in September 1988. Indeed the idea has a great deal of merit. However it appears all the more relevant in light of a certain number of developments both on international and national levels that in recent years have demonstrated the need to seriously question ourselves on what peacekeeping represents to us and, in that light, what level of commitment we are prepared to live up to.

In the course of the debate that has been going on in Canada over the past few years on these issues it has appeared quite clear that Canada's involvement in peacekeeping operations is a reflection of its internationalist approach to world affairs.

The recent defence white paper concluded:

> Multilateral security co–operation is not merely a Canadian tradition; it is an expression of Canadian values in the international sphere. We care about the course of events abroad and we are willing to work together with other countries to improve the lot of all manner of peoples.

The Reform Party has repeatedly echoed this international commitment. We believe that Canada's ability to play a role on the international scene rests to a large extent on our continued dedication to the principles of international co–operation and collective security.

Furthermore Canada is not blind to the lessons of history. Our historical experience has underscored the need to develop and maintain effective multilateral institutions that can confront as effectively as possible any challenge to international security and stability and, if all other means fail, respond to aggression with determination and leadership.

In so reflecting Canada's global values the Canadian forces have contributed incessantly to international security. Over the past few years the sheer number of UN sponsored interventions requiring Canadian participation has dramatically increased. The result has been to stretch Canada's peacekeeping resources to their extreme limit.

The nature of multilateral operations has also changed enormously. The range of activities these operations involve has expanded to encompass the complete set of military activities from preventive deployment and observation to enforcement and reconstruction.

This has spurred a debate at the international level about the need to more clearly determine the nature of any multilateral operation, whether peacekeeping, peacemaking or humanitarian, before deployment actually takes place.

• (1200)

In Canada we have become more sensitive to the need to define the conditions under which our forces will be deployed in areas of conflict.

From the perspective of those Canadian men and women who serve or who have served under UN command, and on whose behalf I speak today, these developments have meant more intensive training, increased stress and wider responsibilities. Although most of us do not have an immediate knowledge of what a soldier's job entails, it must be clear to all of us that the

political and military trends in the nineties have made the soldier's job considerably more difficult than in any other era.

Not since the Korean war have Canadian servicemen and women been burdened with such a wide array of responsibilities at home and abroad. Increasingly these people are asked to move beyond their traditional role of seeing to the nation's defence into non–traditional areas such as the delivery of humanitarian aid and the reconstruction of war–ravaged societies.

The physical and psychological strains associated with immersing oneself in an alien culture and with meeting stringent performance criteria are necessary so that both the individual and the group can withstand the ultimate test of combat. While they must be ready to endure the most difficult and unfriendly working conditions, the soldiers of the nineties must also be flexible. They are asked to be diplomats, aid workers, law enforcement officers as well as warriors. They are expected to exercise an unprecedented level of self–discipline by constantly adapting to fit the prevailing situation.

In wartime, roles and objectives are clearly defined. In operations other than war, the soldier is often forced to change roles from day to day, even moment to moment. The peacekeeper must draw on his combat infantry skills if a fire fight breaks out, and then revert to his diplomatic or humanitarian self. The soldier of the nineties must be more educated than ever before. He must be acquainted with political, military and sociocultural dynamics of the crisis area in which he has been deployed. That is not an easy feat, if we consider the intractable nature of some of the conflicts which Canada has helped to monitor.

The complex security problems which confront the international community today defy easy solutions. Often those solutions, for which a multilateral response has been deemed the most appropriate, are also the most complicated. Some conflicts, such as the ones in the former Yugoslavia and Somalia, are ones for which it is very difficult to define objectives that reflect a clear sense of perspective.

Moreover, soldiers are asked to perform to the best of their ability, even in the most ambiguous and uncertain situations. They are expected to be sensitive to political, social and cultural realities on which even their superiors are unable to provide information and leadership.

It is also important for the Canadian government to recognize this state of affairs. Peacekeepers have served Canada's interests well since the end of the second world war. This contribution from our servicemen and women has become more and more costly in terms of personal commitment and loss of life.

A Canadian volunteer service medal would not compensate for the sacrifice and deprivation, whether physical or emotional, nor can it constitute a form of restitution for the families of those who have given their lives in the search for peace. The Canadian volunteer service medal must be seen as a token of our collective appreciation, as a formal recognition by the people and the Government of Canada of the increasingly perilous and arduous role demanded of peacekeepers and, as my colleague said, of "their continued display of courage and dedication to their assignments, which have been the hallmark of Canadian peacekeepers".

I certainly support this bill.

The Acting Speaker (Mr. Kilger): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96, the order is dropped from the Order Paper.

GOVERNMENT ORDERS

[*English*]

YOUNG OFFENDERS ACT

The House resumed from February 24 consideration of the motion that Bill C–37, an act to amend the Young Offenders Act and the Criminal Code, be read the third time and passed.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I am delighted to have the opportunity to speak on third reading of this bill. I begin by reviewing the highlights of the bill and after that I would like to put special emphasis and focus on that part of the bill which has to do with rehabilitation.

• (1205)

For those who have come to the debate recently, the minister announced, when tabling the bill on June 2, the highlights would include sentences for teenagers convicted of first and second degree murder in youth court to 10 and 7 years respectively. Sixteen and 17–year olds charged with serious personal injury offences would be dealt with in adult court unless they can show a judge that public protection and rehabilitation can both be achieved through the youth court. It includes extending the time that 16 and 17–year old young offenders who have been convicted of murder in an adult court must serve before they can be considered for parole.

It also includes improved measures for information sharing between professionals like school officials and police, and with selected members of the public when public safety is at risk, as well as retaining the records of serious young offenders longer. Finally, it includes provisions to encourage rehabilitation and treatment of young offenders in the community when this is appropriate.

I want to focus on the last point. I am happy to see that the very first clause of the bill deals with the whole point of underlying causes and rehabilitation. I would like to read directly into the record clause 1(1):

> (a) Crime prevention is essential to the long-term protection of society and requires addressing the underlying causes of crime by young persons and developing multi-disciplinary approaches to identifying and effectively responding to children and young persons at risk of committing offending behaviour in the future;
>
> (a.1) while young persons should not in all instances be held accountable in the same manner or suffer the same consequences for their behaviour as adults, young persons who commit offences should nonetheless bear responsibility for their contraventions;

Clause 1(2) says:

> The protection of society, which is a primary objective of the criminal law applicable to youth, is best served by rehabilitation, wherever possible, of young persons who commit offences, and rehabilitation is best achieved by addressing the needs and circumstances of a young person that are relevant to the young person's offending behaviour;

I would like to talk about this part of the bill because I believe it is an area where we in the community are not putting enough emphasis today.

I go back to a book that I had a chance to review this morning before I came to the House. It is *Father Flanagan at Boys Town.* Boys Town is situated about 10 miles outside of Omaha, Nebraska.

I can remember one night flying in from Toronto with a colleague from Saskatchewan. We were talking about Notre Dame in Saskatchewan, but the subject of Boys Town came up. What has been going on for many years now at Father Flanagan's Boys Town in the United States of America is something that we as legislators should take time to revisit.

For those who do not know, Father Flanagan started this environment many years ago when he took in homeless boys, young boys without parents. However he also took about 20 per cent of the number, young offenders.

• (1210)

The rehabilitation record of Boys Town has been described by some of the best psychiatrists and doctors as to being almost a totally mysterious phenomena. Father Flanagan worked with these young men in developing their character. He exposed them to apprenticeship and athletics. It did not matter what their religious background was. The boys could be Jewish, Protestant or Catholic, but he made sure that a portion of their life each week had some sort of religious training.

I tell this story because the track record of the Boys Town situation applies just as much today. It is just as relevant as it was many years ago when this institution started. There are just as many young people today who are involved in situations where their family life is under great stress and strain. I believe that many of these homes that we have in our communities do not have the same sophistication as that institution has.

As we go through the process of putting more emphasis on rehabilitation, we should also be reviewing the types of institutions we have to make sure they are relevant and that we are getting the maximum impact.

So often today a young offender is put into an institution where some of the values that a Boys Town has are just not present; the values of caring and sharing with one another and being a little bit more sensitive to character building. The institutions are just not sensitive. I am not saying that our institutions should be totally ignored but that they should be re-examined.

The Minister of Justice made the following statement in his press release, which I want to emphasize: "That legislation is only one part of the answer to violence among young people. Poverty, alcoholism, family violence, racism, illiteracy and many other factors may lead to criminal acts by young people and adults alike and must be tackled as a whole". The minister said this when he issued his press release. Those words are very important.

When we go through this bill I am hoping that the whole area of rehabilitation can be given very special review and emphasis. We should look at some of the rehabilitation systems and centres that exist all over North America. I would like to refer very specifically, as I said, to the Boys Town example in the United States where the track record of rehabilitation is apparently second to none anywhere in the world. If a Boys Town environment can happen in the United States why can we not have similar institutions in Canada?

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, the hon. member who just spoke could also have looked at the system we have in Quebec, a system that was put in place a number of years ago and that, as far as we are concerned, has proved its worth. Unlike the bill to which the hon. member was referring, our system is not based on the premise that young people can be rehabilitated through repression.

Unfortunately, this bill leans towards repression. It gives the public the impression it will be better protected because young offenders who are 16 or 17 years of age and are tried in adult court will get longer sentences.

• (1215)

The public is being deluded. It has yet to be established in the literature that increasing sentences acts as a deterrent in such cases. I do agree wholeheartedly with a number of points the hon. member made. We must look at what causes crime, and even more important, we must ensure that when young people have committed a crime, they are given, considering their age,

every opportunity,—this is important for society as well—to get out of the kind of life that they have chosen or into which they have been led, not perhaps altogether voluntarily, considering the problems many of them have had.

This bill is even more offensive in the case of Quebec, where we have set up a system I would urge the hon. member to come and see, and not just in the large urban centres. We really had to put a lot of work into this system; we had to call on multidisciplinary resources and take a more community–oriented approach based more on compensation for damages or on the actual rehabilitation of the young person.

The federal legislation, which will have to be administered by Quebec, will have a very disruptive impact on this system. This is true in other provinces and it is also true in Quebec. The government ignores existing systems that work well and imposes or adds a system based on repression, a system that does not connect with systems that already exist and have proved to be effective.

This is outrageous, and does not bode well for the future. I think this is just one more reason to say that as far as guidance, social justice and equity are concerned, we are perfectly capable of doing the job ourselves.

The Quebec Bar Association submitted an extensive brief to the Standing Committee on Justice and Legal Affairs, in which it accurately summed up the situation in Quebec. It said that young offenders in Quebec are eligible for alternative treatment of their case, which involves a referral to the Youth Protection Branch, proposals for an arrangement and the use of alternative sentencing such as reimbursing the victim or doing community work. In fact, almost 47 per cent of the cases are handled this way. Where alternative sentencing is not a possibility, all such cases in Quebec will be tried by a special youth court. Once the court has handed down a sentence, it will be up to the health care and social services network to see that it is carried out.

The choice that Quebec has made to entrust young offenders to institutions that come under the department of health and social services illustrates its philosophy in this matter. The ultimate aim is rehabilitation in the medium and long terms rather than a panacea of repression, which at best offers society only short term protection.

The crime rate among adolescents in Quebec is one of the lowest in the country, in fact, the second lowest. The adoption of Bill C–37 will upset all of our institutions whose role so far has been to promote rehabilitation.

• (1220)

I might add that imprisonment, by itself, while appearing to protect society, and which, even in the bill, is of limited duration, often ends up making criminals out of those who were initially only unfortunate or unlucky young individuals. If you want to be sure to turn 16 and 17 year olds into criminals, send them to prison. The longer the sentence, the better your chances of achieving that effect.

We are strongly opposed to this bill. We believe that the minister, who, in any case, had said he wanted to review all the legislation to do with young people, should have examined the overall situation before tabling this bill. Having done so, he could have offered Canadians and Quebecers, not a comforting short term system, but a medium and long term one, which would prove less costly and permit the building of a society where people would really feel safe, because young people would have the opportunity to reintegrate into society rather than risk being handed another prison term.

We will oppose this bill vigorously. We hope Canadians will appreciate our arguments. During our tour on social program reform, I heard it said everywhere in Canada, except in Quebec, that people were looking to Ottawa for an answer and for social justice through strong national standards.

It seems to me that the adoption of a bill like this one casts doubt on Ottawa's ability to show the way to social justice, fairness and hope for all Canadians and Quebecers, and particularly for young people.

[*English*]

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, there is one statement that is factual about the justice minister's attempt at dealing with young offenders: He is blindly following a political policy that became extinct the last time his party was in power.

The justice minister is trying to convince Canadians that his proposed legislation, Bill C–37, is dealing with justice. This legislation is another attempt by this government at social manipulation and social engineering. It is not legislation to deal with justice.

The justice minister should be concerned in dealing with those who have ignored and broken the established laws. The minister should be concerned in dealing with legislation that forces youth law breakers to understand that law–abiding members of society will not tolerate, condone nor accept the fact that criminal behaviour will go unpunished.

I know punishment is a foul word to the opposite side, but it is a concept that is expected by the citizens of Canada. What we have here is legislation that outlines more reasons why offending youths should not expect punishment for crimes committed on law–abiding members of society. This legislation offers youth even more reasons to believe that the justice system will find reasons to excuse their criminal behaviour.

This justice minister's first idea of justice is crime prevention. As good as that sounds, this legislation was supposed to deal with crimes already committed by young offenders. Instead, this minister wants to bypass his ministry and put the blame for violent antisocial youth on provincial social service

agencies that are not fulfilling their mandate to provide youth with an alternative to criminal action.

Canadians desired and demanded that this minister address the problem of increasing violence by youth. There is an epidemic of youth who commit crimes and laugh at the justice system's inability to show them that crime does not pay. Instead of putting teeth into the criminal justice system, this minister is continuing on a path designed by his government to present high sounding words that do not change anything.

• (1225)

Canadians want change. Canadians want their concerns addressed. And once again, this government offers excuses as to why change is impossible.

The existing Young Offenders Act has the proper first priority. The first declaration of principle in the existing act states: "While young persons should not in all instances be held accountable in the same manner or suffer the same consequences for their behaviour as adults, young persons who commit offences should nonetheless bear responsibility for their contraventions".

What does this minister offer? An excuse that because offending youth have committed crimes, that it is a failure of crime prevention policies administered by provincial agencies. The minister just does not get it. He does not understand that until his ministry becomes interested in justice and not downloading the responsibility for his failure to do his job to the provincial agencies, violent youth will not bear the responsibility for their antisocial actions.

Canadians are not asking for excuses from the justice minister; they are asking for justice that condemns violent behaviour by antisocial youth. Canadians demand that the justice minister remove the loopholes in the Young Offenders Act which allow violent youth to kill or maim Canadians with no consequence of justice affecting the violent criminal. Instead, what do we get? Legislation that says crime prevention methods failed so we must blame crime prevention.

May I remind this minister that the consequences of death or maiming cannot be changed. Canadians expect that justice must make the accountability for violent crimes swift and sure. Instead, Canadians are offered excuses why this justice minister would rather find causes for violent crimes than offer justice for victims of violent crime.

Before this minister gets on his high horse and states that we on this side of the House are only interested in locking up all who break the law, let me remind him that I am talking about violent youth. This side of the House fully supports alternative measures for non–violent first offenders.

Another question is, where does the funding for these facilities come from? It is very noble of the minister to talk about crime prevention. His party has been doing so since the last time they were the majority in the House. Rather than putting tax dollars into preventing crime, the Liberals preferred then just as they do now, to waste tax dollars on dubious expenditures benefiting friendly special interests such as, blueberry jelly, a study of Christmas lights, or the effects of lullabies on babies.

The recommendations for social service expenditures by the provinces that this minister disguises as justice will cost his government nothing. However the citizens of the provinces that this minister will coerce into buying this bill of false goods may not be so lucky.

The justice minister has seen the studies that state provincial social services now in place to assist youth at risk of crime are under–resourced and understaffed. This justice minister knows that provincial social workers trying to prevent crime by youth are and have depended on the Young Offenders Act to provide the services they cannot afford. This justice minister knows that provincial crime prevention will not receive federal funding because his government foolishly squanders tax dollars on programs of limited benefit to all Canadians rather than crime prevention for youth.

Unfortunately, this minister and government are again using window dressing to try and convince Canadians that what is in the store is worth buying. As we all know, not only is the store empty, but the management of the store is empty of new ideas as well. Canadians will not buy this government's line that it knows best and Canadians know nothing.

The chair of the justice committee asked in the House why we on this side of the House oppose spending money on social programs that will reduce crime. May I remind those opposite that this legislation was intended to address justice. This side of the House believes that crime prevention is cost effective and beneficial to both the future criminal and victim. However, this bill is supposed to address how the justice system must deal with those who have already committed violent crimes against society, not outline the failings of provincial social services.

It is obvious we have reached the crux of this government's ability to govern. Seeing through all the flowery words and smoke and mirrors, Canadians will realize this government does not even understand the role the justice department must play in making justice mean something to violent youth.

• (1230)

Instead of justice this government offers a social service review. As we know, this government has already stated that reforming social services, just like changes that bring justice for victims of youth crime, is impossible.

In his last report the Auditor General took a bold step. The Auditor General said that it is time this government took a look at the legislation that was passed to see if the tax dollars are achieving the purpose of the legislation.

We have social programs that hurt society, family programs that destroy families, aboriginal programs that keep Canada's aboriginals from ever gaining self–sufficiency and expenditure control legislation that allows government spending to spiral out of control as it has. Every time one of these programs fails we spend more money. These changes to the Young Offenders Act will not deter one violent youth from crime but will cost more money.

This justice minister has neglected to answer several questions important to this legislation: What is the Young Offenders Act supposed to do? Will this legislation do it? How can we tell the difference? No one in this House will disagree that the Young Offenders Act is intended to separate hardened adult violent criminals from youth. It is further intended to separate hardened violent youth from the non–violent kid who got in with the wrong crowd and made a foolish mistake.

No one will disagree that the youth making a non–violent mistake deserves a second chance. The problem with this legislation is the same as what is rampant in the adult justice system. No one is held accountable for their violent crimes. A day hardly goes by without discovering that a violent adult or youth who should have been separated from society is back on the street and has taken another victim.

This government did not take justice seriously in the past. This legislation clearly shows the Liberals still do not take justice seriously today. Canadian society wants violent youths separated from potential victims, not reasons from this government why crime prevention fails.

Let me serve notice here and now. If the Prime Minister and his justice minister ignore public demand that violent crime by youth be addressed, the good old days for the Liberal Party will end anytime before the next election. This Liberal government must apply the auditor general's recommendation to the Young Offenders Act. It must give value for tax dollar by protecting society from violent youth, not spending more tax dollars on a failed policy of social engineering. This government must hold violent youth accountable for their violent crimes.

In conclusion, I would like to say how disappointing it is to see that after much input from Canadian citizens and many other organizations throughout the country what we have come up with is Bill C–37. In the long run it will change nothing. It is change that Canadians are looking for. It will not come through a legislation that does not get serious about violent crime.

[*Translation*]

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, I am pleased to rise again in the House to share my views on Bill C–37, an act to amend the Young Offenders Act.

We in the Bloc Quebecois agree that youth crime is a very serious problem. The media regularly inform us of specific crimes that are so violent that no one can remain indifferent.

Examples abound and remind us constantly that violence pervades all levels and all aspects of our society. Our task is to ensure that our laws put a stop to such heinous crimes while clearly demonstrating that we have no tolerance for crime.

Unfortunately, the amendments to the Young Offenders Act tabled by the justice minister will in my opinion worsen the present situation by virtue of the repressive approach taken.

Bill C–37 proposes three fundamental amendments to the Young Offenders Act. Firstly, the bill proposes longer sentences. Secondly, it would send to adult court young 16 and 17 year olds accused of offences involving serious bodily harm.

• (1235)

Thirdly, the bill would improve the methods of sharing information between the police, the judiciary and certain members of the public. These three amendments to the act are fundamental and alter certain basic principles of the present legislation. To begin, then, longer sentences clearly demonstrate that the principles of prevention and rehabilitation, although mentioned in the first paragraph of the new bill, are no longer government objectives.

The proposal regarding greater accessibility of information is somewhat similar. What the minister is proposing is to make the offender realize that he is a criminal. As a constant reminder, authorities will inform the offender's community, classmates and teachers, as well as his neighbours. Instead of encouraging rehabilitation to any degree, this approach will, on the contrary, etch in the young person's mind that, from that point on, he is considered a criminal, a public enemy. This approach is like branding young offenders and dangerously compromises their chances of rehabilition.

Also, transferring 16 and 17 year olds who have committed "violent" crimes to adult court raises many concerns. Firstly, this amendment is futile since most violent cases are already being transferred to adult court at the request of crown prosecutors. In addition, these amendments go against the grain of Quebec's system.

Over the years, Quebec has developed a structure that strikes a real balance between protecting the public and rehabilitating delinquents. This structure also ensures that young people are taken in hand from the moment that they begin to exhibit behavioral problems or to compromise their health or safety. Also, under the Quebec system, young people are referred to

establishments run by the Department of Health and Social Services, not by the Department of Justice. This shows that Quebec focuses its efforts on rehabilitation. In this sense, Bill C–37 undermines the very spirit of Quebec's current system.

This bill is repressive. As I pointed out at the bill's first reading, there are two competing schools of thought regarding juvenile delinquency: one that centres on the young criminal, emphasizing arrest, referral to a court, sentencing and punishment, and one that centres on reintegration, focusing on the causes behind delinquency and attempting to put juvenile delinquents back on track, without increasing the likelihood of their becoming repeat offenders.

It seems obvious to me that the second, which fosters prevention and rehabilitation, is the better school of thought. Criminologists recognize that criminal behaviour stems from more than one cause. It is most likely that crime results from a combination of related factors such as education, family situation, poverty, drug abuse, promotion of violence, unemployment or injustices. When this bill was tabled, the Minister of Justice told us that reintegration, prevention and rehabilitation would be integrated into his reforms.

Yet, after reading this bill several times, I do not see a single measure reflecting this concern. Of course, there is the policy statement in section 1 of the bill, but not a word about it in the substantive sections. Section 1 is a smokescreen that tones down the repressive aspect of this bill. It becomes obvious that the federal government must review its approach to youth crime. We need a more realistic review, which would first address the social and economic realities behind crime and implement social development programs and initiatives focused on rehabilitation and prevention.

• (1240)

This bill raised serious concerns in Quebec, not only among social and correctional authorities but also among politicians and academics. After Bill C–37 was tabled, Quebec's National Assembly gave almost unanimous support to a motion sending a very clear message to the federal Minister of Justice: "Let us continue to address our problems in our own way". There was also a general outcry from experts such as psychoeducators, criminologists, specialized lawyers and social workers.

Quebec has often been a leader in the treatment of young offenders. As early as 1942, Quebec brought to 18 years the minimum age for assuming responsibility, a move that some other provinces followed only in 1982. Over the years, Quebec developed a whole structure, a system to maintain the right balance between protecting the public and rehabilitating young offenders, which is just as commendable a goal.

It must be recognized that Quebec gave itself an innovative penal and social system to treat juvenile delinquency. For almost 15 years, Quebec has emphasized rehabilitation over mere repression. Our system strives to go beyond the surface to identify the underlying causes of delinquency and rejects the idea that life imprisonment is the only solution for delinquents with serious family and social problems.

The young offender is quickly placed under the care of the Ministry of Health and Social Services and the youth protection directorate, with surprising results. According to several serious studies, society recoups its financial investment in the rehabilitation of a young murderer in less than five years through the young adult's productivity, through his work, his taxes and his purchasing power.

In conclusion, we in the Bloc Quebecois strongly believe that rehabilitation and prevention are the only acceptable way to address youth crime. That is why we do not support Bill C–37.

Mr. Michel Daviault (Ahuntsic, BQ): Mr. Speaker, I am pleased to speak again on this bill to amend the Young Offenders Act, enacted in 1984 to replace the Juvenile Delinquents Act, and the existing federal legislation governing matters related to juvenile crime and justice in Canada.

This bill sets a new legal framework to guide society's response to young people who contravene criminal law, basically. Many of its provisions are based on a legalistic approach with an emphasis on fair application of the law and the necessity for young persons to assume responsibility for their actions. However, because of their age and degree of maturity, young offenders obviously have special needs that require a level of assistance that just does not exist in the adult system. But the bill does not reinforce this aspect of assistance to young offenders.

In this bill, a young person is no longer a person between the ages of 12 and 18 but one between the ages of 10 and 15, which means that anyone over sixteen will now be tried in adult court, while it will still be possible to transfer a young offender under sixteen to adult court.

Essentially, this bill is driven by an arbitrary and unjustified wave of repression, promoting more heavy–handed judicial measures against young offenders, rather than effective preventive and rehabilitation measures.

On this subject, like my colleagues, I will quote from the conclusions set out in the brief presented to the standing committee on justice by the Quebec Bar Association. In essence, it said: "It is very clear that Bill C–37 was introduced in response to pressures by citizens demanding to be better protected through a more effective fight against serious crimes but repression did not appear to be the solution, and for good

reasons we might add. Quebec found its own way of dealing with the problem and wants to continue using the successful approach of rehabilitation, or reorientation. All we are asking for is to be able to maintain the good results we have achieved so far with respect to juvenile crime".

• (1245)

Since 1984, the Young Offenders Act was amended twice, that is in 1986 and in 1992.

In 1986, amendments were made to allow public disclosure of the identity of a young person accused or found guilty of a crime, when that person is a threat to the public, and when such disclosure is necessary to facilitate the arrest of that person.

In 1992, the act was amended to increase the maximum sentence for murder from three to five years, that is three years in detention and two under mandatory supervision. However, if the young offender is considered to be a threat to public safety, he can be kept in custody for a period longer than three years.

Also in 1992, the provisions regarding referrals to an adult court, in the case of serious crimes, were clarified. A young offender aged 14 or more must be referred to an adult court when the penalty that can be imposed by the youth court no longer ensures public safety, nor the rehabilitation of the offender.

Consequently, since 1984, the provisions of the act have become stiffer.

However, since the increase in crime rate for the year 1992 only went up two per cent, compared to an average of five per cent in previous years, does this not confirm that the current act is sufficiently harsh and that there is no need to make it more repressive?

Why not wait to see the results of the amendments made in 1992? Since these amendments are relatively recent and also because of the statistical lag, it is difficult to evaluate their impact.

In its brief, the Quebec Bar Association deplored this decision to proceed, first with the amendments and only then with a thorough review of the legislation and a study of the youth crime rate. Reversing the procedure would have made it possible, in addition to what Quebec has been able to bring to this area, to identify the mechanisms needed to make the system efficient and effective. Furthermore, a preliminary study of the youth crime rate would have made it possible to establish the impact of the amendments adopted in 1992 and find out whether their objective had been achieved, as would seem to be the case according to the latest judgments of the Appeal Court.

The bar association concluded that Bill C–37 should be withdrawn. It goes on to say that if this is not politically feasible, the minister should at least postpone his review until he has examined the youth crime rate.

Bill C–37 does nothing to deal with the problem of youth crime, and I think that is the crux of this debate. Until effective measures are put in place to prevent crime, we will go on amending our laws to make them more severe and repressive. We must look at the whole picture. Of course, penal laws are necessary, but they cannot deal with the factors that lie at the root of crimes against persons and property.

Dealing with crime is not just a matter of sanctions but above all a matter of prevention and effective social reintegration.

In a study for the Research Branch of the Library of Parliament, Patricia Bégin writes that it is becoming increasingly obvious that the methods traditionally used to keep crime in check do not suffice to eliminate crime and the fear it inspires. There is growing support for the concept that considers the social and economic environment that leads to criminal behaviour and for implementing programs and social development measures aimed at eliminating situations that are conducive to crime.

In fact, the problem lies with the administration of justice and the application of the provisions of the Act. It seems that most violent crimes covered by the Young Offenders Act can be dealt with effectively under the existing legislation.

Everything is in place: the provisions and the means to apply them. But the persons in charge either refuse to use them or get bogged down in unacceptable backlogs.

In a story run by *La Presse* on June 8, 1994, Normand Bastien of the youth section at the Montreal community legal centre said that the long wait until sentencing is what really causes the problems. In Valleyfield, the average is 266 days, in Montreal, 180, in Joliette, 163. Another major contributor to the problem is that only 29 per cent of the cases are resolved.

Mr. Doob from the University of Toronto published a report called "Beyond the Red Book" following a workshop to identify amendments which should be made to the Young Offenders Act. In it he stated that there is no crisis among youth that would warrant fundamental or immediate changes to the Young Offenders Act. Amending the Young Offenders Act would probably have no significant effect on crime, he said.

• (1250)

Furthermore, he implied that if the federal and provincial governments really were serious about protecting the public, they would invest more in crime prevention and in public awareness of juvenile delinquency. According to him it is cheaper and more effective to prevent crime than to keep young offenders in custody.

Lastly, I would like to comment on the part of the bill on divulging information on young offenders. One of the underly-

ing principles of the Young Offenders Act is that any information connecting a young offender to a crime is not to be divulged.

This reflects a desire to prevent an individual from being labelled as a habitual offender at an age when he does not possess adult judgement. Repeated breaches in confidentiality in respect of a young offender's record will make it more difficult for him to be rehabilitated and reintegrated into society.

In closing, I would like to point out that the former Quebec justice minister would have preferred the status quo and expressed concern and disappointment over Bill C–37. This reaction clearly shows that overlaps in the area of justice carry a high price, both administratively and in respect of the system's efficiency.

In fact, Ottawa is venturing into a dead end for Quebec, but Quebec will be responsible for administering the system. Once again, the recommendations made by Quebec and by the bar association have been wholly forgotten.

Recent statistics concerning average daily incarceration records for young offenders in 1992 appearing in the Statistics Canada publication *Juristat* indicate a rate of incarceration of 10.4 per 10,000 young persons in Quebec. This is much lower than the average Canadian rate of 21.3. At 32 per 10,000 young persons, Saskatchewan has the highest rate of incarceration. What do these disparities mean?

Similarly, in regard to cases heard before youth court ending in convictions, broken down by type of custody for 1992–93, the March 1994 issue of *Juristat* reports a total of 10,259 cases in Quebec with its population of nearly seven million, and 19,882 in Alberta with a population one sixth the size. What can account for such a great difference, almost twice as many as in Quebec?

As for cases before youth courts with guilty verdicts, broken down by province and territory, the January 1994 issue of *Juristat* reports a rate of 83.1 per cent in Quebec. In Yukon, the rate is 53 per cent, in Manitoba, 54 per cent and in Ontario, 61.2 per cent. Are these provinces too eager to go to trial? I think this issue merits further reflection before new amendments to the act are passed into law. We will vote against this bill.

[*English*]

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

And the bells having rung:

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 45, the division on the question now before the House stands deferred until tomorrow at 5.30 p.m. at which time the bells to call in the members will be sounded for not more than 15 minutes.

* * *

• (1255)

[*Translation*]

FIREARMS ACT

The House resumed from February 16 consideration of the motion that Bill C–68, an act respecting firearms and other weapons, be read the second time and referred to a committee.

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, it is my pleasure to speak on Bill C–68. If only the people in the west could understand a little more French, they would hear the words of a Bloc member on a subject of considerable concern to them: the registration of firearms and other measures. This bill is extremely complex and has a lot of parts to it.

My first reaction, in examining the bill, was to say that I never want Quebec to become a Florida or a Texas. I am not talking about the weather, but rather the matter of carrying arms. I do not want us to do what they do in Florida or Texas, where people head out on a Saturday evening with a gun in their pocket and often end up having the misfortune of settling accounts with a gun or some other firearm.

This situation promotes violence. There is a good reason why statistics indicate a much higher rate of homicides and violent crime in the States than in Canada, even with the difference in population size. This, I feel, is one cultural difference that should be promoted in Quebec, perhaps in Canada as well. In my ideal society, with a sovereign Quebec, there will be fewer reasons for and causes of violence. I dream of a tolerant country, one that respects human values. I dream of a country where people can talk freely and democratically and where they will not need to use firearms to settle accounts.

For me, the point of supporting a sovereign Quebec, is to keep the difference, for various reasons. This is just one of many reasons, because there is a very big difference between the position taken by most Canadians and that taken by most Americans when it comes to firearms. But a similarity now seems to be arising between the two countries when we listen to the Reform Party. In their push for no restrictions on the right to

carry firearms, they have advanced certain American arguments, such as the one whereby mandatory registration of firearms or limited access to them would be an attack on personal freedom. This is utter nonsense.

It is not at all difficult to understand the Americans' point of view. The right to carry firearms is part of their culture, as it were. The West was won with guns. Far more Americans carry guns than do Canadians and, if I am not mistaken, the use of firearms is a right in the States. In fact, I wonder if it is not enshrined in the American Constitution and if Americans will therefore be obliged to live with much wider access to firearms than is permitted here in Canada.

When the statistics on homicides and violence are compared for Canada and the United States, they are, not surprisingly, much higher for the United States.

• (1300)

In 1991, there were 753 homicides in Canada, compared with 24,000 in the United States. These statistics are mind–boggling. They moved the judicial committee of the American Senate to declare that the United States was the most violent and self–destructive nation in the world.

Being a reasonable person, I cannot rule out the fact that the very large number of firearms in the United States contributes, in some degree, to this difference, to this very high level of violence and murders in that country. When we see, for example, in Florida or elsewhere, people using rifles to shoot at drivers on the freeway, I would rather do everything in my power to build a country where people do not have to experience such extreme, absurd violence. I would rather encourage the development of a country where violence is being reduced. I know that it is no easy task. The bottom line is that we must create an environment where people feel safe and comfortable.

People who support the free movement of or access to weapons argue that pistols or rifles provide better protection against violence. This is a frequently used argument in the U.S., where the murder rate is extremely high. There are proportionally three times as many murders in the U.S. as in Canada. Again, I do not think that getting a weapon is a good way to protect oneself. On the contrary, I think that arming oneself is an incitement to violence. All human wisdom since the beginning of western civilization demonstrates that violence begets violence. All the evidence shows that those who arm themselves are getting ready for violence.

To reduce violence in society, it would be quite reasonable to try to restrict access to firearms. After all, what are firearms for, if not for killing? Firearms are designed to shoot and kill. Firearms are extremely dangerous weapons and their access should be restricted. It is normal and reasonable for a self–respecting country to want to reduce violence in society.

Of course, sportsmen who use weapons for hunting, farmers who use them to put down sick animals or for other reasons, all those with specific reasons to use firearms should have access to them. I am not arguing with that. But, in general, firearms should be abolished or access to them should be restricted at least. Handguns have no place in the cities. No one should have access to firearms without sound reasons.

• (1305)

The problem is that Bill C–68 does very little in that regard. It may be a step in the right direction, but it does not do what the public wanted it to do.

Surveys have been conducted on the registration and possession of firearms. They show clearly that more than 80 per cent of Canadians and 91 per cent of Quebecers wish that access to firearms were made more difficult, that it not be so easy to acquire firearms. They also wish that military assault weapons and handguns be banned and that stricter controls be imposed on the sale of firearms. That is what one public opinion poll after another has shown.

The vast majority of Canadians and Quebecers are against unrestricted access to firearms in Canada. Apparently, the government failed to represent this view in Bill C–68. We know that many interests are involved.

Besides the public at large, there are manufacturers, associations promoting the use of firearms, a number of individuals who are particularly fond of firearms, which they think are symbols of strength and power. These people seem to have a rather major influence on the government. While being in the minority, they have pressured the government into making this bill not as stringent as it could have been.

If the intent had been to come up with a serious, progressive, forward–looking bill aimed at looking after the interests of the majority, the bill would have had more teeth. I should add that Bill C–68 is not a bad piece of legislation. It contains some good provisions, while others are definitely bad.

However, it is an improvement over the current act. The intent of the bill is good. If it is felt that registering firearms will limit access to such weapons, assuming that is the underlying principle of the legislation, then it is a good thing. However, it remains to be seen whether this will indeed be the case.

This is an improvement over the old system which was absurd. In the past, anyone could buy a firearm. The buyer had to register the firearm, along with his name and address, in an inventory which was checked by the Quebec and Ontario provincial police, or by the RCMP elsewhere in the country. That was a summary verification to see if the names, addresses and serial

numbers were properly indicated. However, if the register got lost or was destroyed by fire, that was it. No trace of its contents was left.

• (1310)

That registration process was really a joke. It was a mere formality which had little impact and which was useless in terms of monitoring who had access to firearms.

I should point out that, along with this very limited control over the sales of firearms, the current legislation also provides for the delivery of permits to carry and store guns. However, the existing law is essentially inadequate.

Bill C–68 contains some good and some not so good provisions. If I have time to do so, I would like to make a few suggestions to improve its content.

First of all, Bill C–68 proposes to establish a licensing system for persons wishing to possess firearms. In other words, it establishes a system for the registration of all firearms. Controls in this bill include a check to confirm the absence of public safety concerns before the transfer, transport, import or export of a firearm. It imposes restrictions on other dangerous articles such as cross–bows, certain knives and silencers. It revises the Criminal Code to impose stricter sentencing, and it includes a scheme for prohibiting, as a result of criminal conduct, a person from future possession of firearms.

I think we can say that this last restriction, which would prohibit access to firearms by criminals, is entirely acceptable and desirable.

I think that any legislation that prohibits a criminal from having access to a firearm is a boon to the general public.

As far as stricter sentencing is concerned, there might be a little more to say. There are certainly some positive aspects. I will not have enough time to discuss the firearms registration mechanism as such. I would have quite a few questions about the system for the registration and storage of information and whether the proposed system is better than what we have now. There would be a lot to say about this, but unfortunately my time is limited.

There are some very good points, and I am thinking, for instance, of the obligation to register all firearms. At least the police would have a way to enforce a court order prohibiting an aggressor from possessing firearms. In addition to criminals, this would also apply to the guy who beats his wife every Saturday night. He may not have a criminal record as a bank robber or murderer, but it seems to me he should not have a weapon, at least not a firearm, in his home. He should seek treatment if he beats his wife, of course, and at least, he should not have access to a firearm. So this bill would allow the police to prohibit certain people from possessing firearms—

Mr. Speaker, I see you are signalling that my time is almost up. I thought I had twenty minutes. Are you sure I have only one minute left? I thought I had five or ten minutes left.

The Acting Speaker (Mr. Kilger): If I may be of assistance, the hon. member started his speech at 12.55 p.m., almost twenty minutes ago.

• (1315)

Mr. Marchand: Thank you for that information, Mr. Speaker. I shall therefore conclude very quickly by saying that this bill contains both good and bad. In my opinion, this system will be expensive. Once again, registering weapons is not a bad thing, but in looking at this bill the following questions come to mind. Will it prevent someone from registering his weapon? Will it prevent someone from killing his neighbour if he so wishes? Will it prevent a young person from committing suicide with a gun? Will registration be truly beneficial for society in the long term? Will it reduce crime rates? I rather have my doubts, Mr. Speaker.

[*English*]

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, I have listened to the speech and I have heard remarks like violence begets violence, firearms are meant to kill, and access should be limited.

I do not know how much of the hon. member's speech related to the issue we are wrestling with in Bill C–68, that is bringing forward a bill that enhances the safety of our communities, homes and society.

If the member honestly believes the registration of rifles and shotguns will reduce the criminal use of these firearms, would he tell the House how that will do it?

Mr. Marchand: How will registering arms reduce the level of criminality? I do not believe it will necessarily. Bill C–68 has a great number of flaws. I really do not believe it will necessarily reduce criminality.

On the other hand registration is not such a bad thing. We register practically everything. Our cars are registered. We are registered when we are born. We are registered when we get married. Every important element and tool of one's life is registered. It is a normal fact of life. The problem is that not registering arms is abnormal. There is a certain abnormality in not registering arms particularly because arms are very dangerous tools. They are weapons.

Normally they are used to harm or kill people. I am not talking about sportsmen who hunt or farmers who use arms to protect themselves from predators. Those are very special cases. How-

ever there are other uses. I am talking about the Saturday night special, the AK–47 and other arms that are ascribed within the atmosphere of violence, protection, rights, liberty and so on. They should certainly be limited.

If registering arms could help reduce the number of arms circulating in Canada, that would be a positive step. I do not think it is harmful to anyone, even collectors who have arms or who love arms, to suggest that their arms should be registered.

As I say there are a lot of flaws in the bill, but there are positive points in the sense that the government is trying to go in the right direction.

• (1320)

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, the member commented that he was not sure whether or not registration would reduce crime in Canada. I would like to pose a proposition to him and possibly he might consider whether or not crime would be affected.

Statistics have shown that since 1974 some 16,000 firearms have been reported lost, missing or stolen. We can imagine how many guns are lost, missing or stolen that have not been reported. These guns are out of the control of the legal owner. They are now out there most probably in the hands of the criminal element in society.

Certainly we can imagine that the registration of firearms brings to bear a greater responsibility on the careful gun owner and should do something to ensure that gun owners take a greater level of care.

The member may also wish to know gun clubs are now reporting that many gun owners are getting rid of their guns. Many of them report that something like 60 per cent of gun owners have not fired a gun in the last year and some 40 per cent have not fired their firearms in the last five years.

In that regard, because fewer guns would be available to the criminal element, would the member not agree that registration of firearms would reduce crime in Canada?

Mr. Marchand: Mr. Speaker, I am not opposed to the legitimate use of firearms for those people who have good reason such as sportsmen and farmers, to use two examples. However I have questions about whether registration would do anything to help reduce criminality.

I have a hypothetical example. If the system worked perfectly, in other words there was a control system somewhere in Ottawa where all firearms would be listed in a little computer and we would have a complete list of all firearms everywhere in the country, does the member think those people who have illegal projects in mind might be able to get their hands on that list and determine that Joe Schmoe living on such and such a street has an awful good collection of firearms? It would incite a certain number of people to go to Joe Schmoe's house and steal all his firearms. It is a way of possibly encouraging the illegal use of firearms. Registering the firearms does not necessarily have an effect on criminality.

There is another flaw in this law. If we register firearms it will not prevent Joe Schmoe from shooting his neighbour on a Saturday night. It is not because his firearm is registered that he will not kill his neighbour. It being a registered firearm will not prevent his son or daughter from killing himself or herself. It does not prevent anything at all.

However, if the minister had been conscientious and had gone the limit, he would have demanded from the moment a firearm was sold in Canada that it had a control mechanism, in other words one needed a key to be able to use it. It can be done. Technically we can control the use of firearms in the sense that a key would be needed to open it and use it. As long as it is locked, whether it is sitting on the back seat of the car or in the living room, it could not be used as readily. One would need the key to use the firearm. At least that measure would limit the misuse of firearms.

Many other suggestions could be made, but I do not believe registering firearms would necessarily have an effect on the reduction of criminality in Canada in spite of the fact that I think this measure is a step in the right direction. Despite the fact that the Bloc will suggest improvements for the proposed law we will probably support it.

• (1325)

Hon. Ethel Blondin–Andrew (Secretary of State (Training and Youth), Lib.): Mr. Speaker, I rise in the House today to debate Bill C–68, an act respecting firearms and other weapons. The debate before us is a complicated and highly emotional one for all those involved and implicated in the bill.

Aboriginal people, for instance, are worried about the potential infringement on their treaty rights. Shooters are concerned with the restrictions placed on their sport and outfitters are worried about the impact the legislation will have on their business. These are all serious concerns which if not addressed could pose some serious hardships in the north and of course in other parts of Canada.

The potential infringement the legislation could have on treaty rights and its impact on traditional aboriginal way of life are threats that aboriginal people have sought to prevent since the signing of their treaties. Treaties were signed to ensure the protection of aboriginal rights that were then entrenched in the Constitution under section 35 of the charter.

As treaty rights go or as rights go in aboriginal country, rights are considered and treated as absolute but in the reality of the political world and in the name of concessions, compromise and goodwill we are looking at some half–measures.

According to the Sparrow decision of 1990 hunting and fishing rights have been recognized by the Canadian government. It would appear to be damaging to the fragile relationship being forged between the aboriginal people and the Government of Canada if the bill infringed on these rights.

This is the concern being expressed. However I have assurances that the legislation will not infringe on these rights. Special considerations have been given to sustenance hunters and in particular aboriginal hunters who make up a large portion of all sustenance hunters.

Let me, for instance, express the concern brought forward by Mr. Sam Gargan, member of the Legislative Assembly for the Northwest Territories for Deh Cho, who said:

> I have an uncle who cannot read or write. He cannot tell you what muzzle velocity means. He cannot tell you how calibres are determined. He can however tell you that you need a .303 to shoot a moose, that it is best to use a shotgun to shoot ducks, that a .22 is the best for rabbits and upland birds. He can tell you not to carry a loaded gun with a live round in the chamber. He can tell you how to safely transport a gun in a truck or a boat.

The same would apply to a skidoo. He continued:

> Gun ownership is not rocket science. It is a matter of common sense. In the NWT the vast majority of gun owners have been taught gun safety at a very young age and I sincerely believe that any program on gun safety to be offered in the NWT has to be changed to fit the realities of the situation both fiscally and morally.

Mr. Gargan went on to say:

> I also believe that the legislation, as it now stands, violates treaty rights as guaranteed in the Charter of Rights and may well be in contradiction of the Sparrow decision—To this end I can virtually assure you that should this legislation proceed as written, there would be a court challenge from Canada's aboriginal community.

These are the words of a member of the Legislative Assembly of the Northwest Territories, the majority of whose constituents are aboriginal.

In the north the aboriginal people hunt to eat, not to harm other people. Many northern people living in isolated or remote communities cannot afford the inflated northern prices of meat. We cannot just go out and order half a side of beef at southern prices. The cost of living is 40 per cent higher.

Today in southern stores such as Loeb a kilogram of ground beef costs $3.95.

• (1330)

The same kilogram of beef in Deline in a community is $6.80. This makes hunting and owning a rifle not only a right but an economic reality. Hunting in an aboriginal community is also a community event. Food that is caught or that is hunted is shared with everyone. Hunters donate food to those who are unable to hunt for themselves such as elders and widowers and people who are disabled. Without firearms many in the north could not afford to eat.

My experience with firearms has been since I was a child, since as long as I can remember. In my family we learned gun safety. It was absolutely paramount. The camp where my parents go on an annual basis is in grizzly bear country. In grizzly bear country you do not just have a .22 rifle. You must have a high powered rifle. I must say if you are going to have a key mechanism to use, please do not do it when you are in grizzly bear country if you want to live to see another day.

The realities are very different around this country and I understand the intent of this bill. I understand the complexity. I understand the difficulty the minister has had to deal with this bill across the country.

I cannot imagine having the fortitude to go out there to meet the masses on such a complicated and emotional bill. I would like to say that I admire this man for having done that. However, the debate rolls on and the bill has gone to committee. The bill is being debated today. There are a number of special things that will happen.

My hon. colleague across the way from the Bloc Quebecois indicated that most times the use of firearms is intended to hurt or kill another person. That has not been my experience. It has allowed us to live. It has allowed us to overcome difficulties.

During the war, during the depression and during recessions in Canada our people were able to survive because we have instruments that allow us to exercise the right to be able to fend for and feed our people. Those instruments in most cases in modern terms are not bow and arrows. They are firearms. That is one of the instruments we use to exercise that right.

The Minister of Justice in his commitment not to impact treaty rights has struck a team of officials who will travel and meet with aboriginal groups across Canada to discuss how this bill can be implemented without negatively impacting treaty rights and the traditional way of life.

These consultations have been directly mandated in this legislation. Section 110 allows for the governor in council to make regulations on aboriginal people and to adapt the regulations for the purposes of that application.

Michell Adkins, a Haida lawyer, was recently hired by the Department of Justice to consult with aboriginal people. Along with other departmental officials, she will be travelling to communities to explain the legislation, to listen to their concerns and make recommendations to the minister on how to amend this legislation with respect to treaties and traditional life.

There are many issues that need to be addressed in the consultations. The Minister of Justice has suggested the necessity of finding a better definition of sustenance hunter to reflect the aboriginal way of life.

He is also committed from what I am being informed by departmental officials to decentralize the role of the firearms officer and provide community control of the implementation of this new firearm strategy, ensuring aboriginal participation.

I would like to encourage all of the First Nations, Metis and Inuit people to take full advantage of these consultations to ensure that the registration of firearms can be done in full consideration of their treaty rights, especially with respect to Sparrow and section 35 of the charter.

Some of the issues which have already been brought to the minister's attention will be addressed and among the consultations is the cost of registration. Currently under Bill C–68 there will not be a charge for sustenance hunters to obtain a firearms licence. However, there are no clear guidelines on how fees will be applied in registering firearms and the transferring of ownership of guns.

• (1335)

Through consultations with First Nations, Metis and Inuit, it is my hope that an amendment can be made to eliminate the cost of transferring and registration of firearms by sustenance hunters, as these costs would be an economic hardship on people who cannot afford to buy their food and use their firearms as a tool to feed themselves and their communities.

It is felt that it would be an additional economic hardship in a community that already has quite a large group of unemployed people who rely on other sources to continue living and surviving.

Borrowing and lending firearms is another very important issue for the northern and aboriginal communities across this country. Under Bill C–68 there is the provision for lending a firearm as long as the person involved lends the borrower the registration certificate for the firearm. Through consultations it is hoped that alternatives to this option can be sought. In many communities firearms are seen as a collective instrument for hunting passed on to those who need them.

Hunting rifles are commonly loaned to relatives and friends in aboriginal communities on a regular basis. Through consultation I hope that the registration program will be flexible enough to allow this practice to continue without undue and unnecessary hardship.

We understand that in the context of harvesting and hunting it is very difficult in isolated and remote communities to acquire registration and firearms acquisition certificates. When you are in a boat and you see a caribou it is very difficult to resist the opportunity to get the kill for the community or for the family, relatives or the elders. There is a general lending of firearms. It is a very big issue in the communities in terms of their traditional harvesting and hunting rights.

The transfer of ownership is another area which is of much concern. The gift of a firearm is very common in the north. Under Bill C–68 a gift of firearms can only be given once all the necessary papers are filled out and both the recipient and the donor have licences and neither one is a safety risk. Again, through detailed consultations provisions should be made to reflect the culture of First Nations, Metis and Inuit where the gift of a firearm is considered a great honour, especially when given to a youth for his or her first hunt. It is an honour and it is something that is protected, keeping in mind all the issues about safety that go along with the responsibility of owning that gun. It also entails using it safely and bearing in mind the safety of others.

On penal sanctions for people who accidentally find themselves on the other side of the law, through consultation I hope that alternatives can also be found to some of the penal sanctions for offenders who have committed an offence out of ignorance. Summary convictions are available in Bill C–68 to first time offenders which would not require that a person develop a criminal record on a first time offence.

I am also encouraged by the partial prohibition provision in this legislation. A sustenance hunter who has been charged with an offence involving a firearm may apply to a competent authority to allow for the hunter to use his or her firearms for sustenance as long as the hunter returned it to the authority, which could be the chief on returning from hunting. A great deal of trust and a great deal of respect would have to be in place and a great sense of responsibility under those conditions.

Another aspect is the purchase of ammunition. I am amazed that I have not run out of time yet because this a very emotional, very complicated and a very important matter. I do not think I can undersell the importance of this legislation to people across this country, not just in my own riding but in other parts of the provinces and territories.

• (1340)

In many communities those who cannot hunt will provide ammunition to hunters as a gift in hope of meat and other kinds of game when the hunters return. That is a common occurrence. I hope through consultation with aboriginal groups an amendment can be entertained allowing aboriginal people to purchase ammunition when they do not have a licence to give as a gift.

It is not uncommon for a senior citizen on pension who cannot go hunting, who does not have a skidoo, who does not have the physical stamina to go on the hunt anymore, to give to a younger person the gift of ammunition for the sake of a hunt. It is very reasonable and it is good economics for the people in the community.

These are only some of the concerns about how Bill C–68 would impact the aboriginal way of life. I am encouraged by the

minister that these and other concerns will be dealt with through consultations with aboriginal people.

Northerners have also brought several questions to my attention which have either been addressed in Bill C–68 or the Standing Committee on Justice and Legal Affairs has been mandated to review. I would also like to outline their concerns here.

First of all, there is always the question about why the government is attacking law–abiding gun owners. Many legal owners feel that the government is attacking law–abiding gun owners with this new legislation. However, Bill C–68 creates a new act for firearms. This new statute, the Firearms Act, removes legal gun owners from the Criminal Code. This consideration to gun owners demonstrates the government's intention not to treat legal gun owners as criminals. This new act will create a licensing system for the ownership and use of firearms and a national registration system for all firearms. As I mentioned before, special provisions have been made for first time offenders who have not used a non–registered firearm in a criminal offence.

The next concern is equipment outlawed from the Canadian Olympic shooting team. Others have asked why equipment used by the Canadian Olympic shooting team has been prohibited. The minister has acknowledged that amendments or exceptions should be made for certain handguns in the prohibited class which are used and recognized in target shooting competitions. The minister has specifically requested that the standing committee on justice deliberate on possible solutions to this current problem.

Restriction to non–residents is another major one. There are many hunting, outfitting and tourist businesses in the north and other parts of Canada that depend on hunters from other countries for their business. They have voiced several concerns that Bill C–68 will impose further restrictions on the entry of those foreign hunters and are concerned that they will choose to go to another country to hunt where the laws are not so restricting.

I have reviewed the requirements of the entry of any foreign hunter into Canada and I do not see a problem as such. A person coming from another country must declare their firearm at customs. They will be required to complete a temporary firearms licence and a registration certificate to bring the firearm into Canada.

A customs firearm declaration will act as a 60–day licence and certificate and will be validated at the border. The Minister of Justice and his departmental officials assure me that these forms will be as simple as possible. These declarations will be readily available to visitors through Canadian tourism offices abroad, outfitters, shooting clubs and hunting organizations. There will be opportunities for non–residents to apply in advance to speed up the process at the border.

In the case of sporting clubs, as has always been the case the requirements can be met before crossing the border through Canadian clubs and associations. An authorization to transport will be issued at the same time. Should a hunter lose his ammunition he will be able to present his customs firearms declaration which will act as a temporary license, enabling the hunter to purchase ammunition.

I suppose I could go on but I must be close to being out of time. Within two minutes I will attempt to deal with this really important issue.

I am going to deal with people's concern about prohibited antique gun collection. A common question is how to pass on or sell an antique gun collection. Individuals who now have a grandfathered firearm which falls into a specific prohibited category will be able to buy from and sell to individuals with firearms in the same category.

• (1345)

Also, the minister has asked the Standing Committee on Justice and Legal Affairs to deliberate on the special significance possession of firearms as relics or heirlooms may have on a family and what opportunities there will be for owners to leave such firearms to their children as part of their estate.

In conclusion, I would like to take the opportunity to thank the numerous members of shooting clubs, such as Barry Taylor from my riding, who have devoted thousands of hours to teaching firearms safety. Their work in the north ensures the safe handling of many guns.

I would also like to thank all of those people who have brought their concerns on gun control to my attention. We have the minister's assurance that there will be special efforts to look at these concerns. I encourage all aboriginal people and northern people to participate in the consultations to ensure the protection of their rights. It is my hope that through these consultations a mutual respect and understanding can be forged between the consultation team and aboriginal people.

I also encourage all northerners to participate in the deliberation of the Standing Committee on Justice and Legal Affairs and to write to the chair of the committee, the hon. member for Notre–Dame–de–Grâce, or myself with their opinions on how to improve the current piece of legislation.

I would like to thank the House and you, Mr. Speaker, for giving me an opportunity to speak to the very special, emotional and complicated matter of Bill C–68.

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, I listened attentively to the hon. member's speech on Bill C–68. I share some of her concerns about northerners, how they will react to increased regulation, universal registration,

and in particular her comments on how aboriginal hunters will view the added regulations and restrictions being placed upon them.

My question for the hon. member deals with Bill C–34, the Yukon self–government bill, which was passed in this House last June. It was my understanding that Bill C–34 gave control and prohibition over firearms and explosive devices to the new levels of native governments in the Yukon.

Has the hon. member researched that at all? If so, does it mean they are in effect exempt from the new regulations in Bill C–68 once it is passed? If they are exempt because of the clauses in Bill C–34 which give control over firearms to the native governments, does she feel it right that some Canadian citizens should be exempt from Canada's laws based strictly on race?

Ms. Blondin–Andrew: Mr. Speaker, the unique legal and constitutional rights of aboriginal people have nothing to do with race. They have to do with a legally and constitutionally binding arrangement between the Government of Canada and those said peoples.

As for the Yukon legislation, I am not a lawyer nor am I a self–government specialist. I have raised a number of issues today regarding rights and I do not think they have anything to do with any kind of racial overtones. They have to do very specifically with the traditional way of life which has been exercised and practised for hundreds of years. Perhaps the instruments to exercise those rights have changed. In contemporary terms we are talking about firearms.

I resent what the hon. member across the way is alleging. He is insinuating that aboriginal people have something which is exempt, unique and special and which nobody else can have. That is not the case. It is unique to aboriginal populations.

I am aware of the position the Council of Yukon Indians has taken and it can speak best for itself. I cannot speak for the aboriginal people of the Yukon, except that I know they have a grave concern. They will have the opportunity to speak to Michell Adkins and also present their concerns to the standing committee. They can adequately speak to that. I would probably under–represent their views.

• (1350)

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, many of the concerns expressed by the hon. member apply not only to aboriginal people but to rural people in general.

For example, she spoke of that first rifle. One of the proudest days of my life was my 11th birthday when I received my first firearm. Like the hon. member I was a sustenance hunter for a period of time. We were hard up. We ate the meat we killed.

These laws that are going to come in will be just as restrictive, just as oppressive on non–native rural people as they will be on the people who live for example in the Northwest Territories. I would hope that rather than taking up the cudgels against the rest of us who oppose this bill that she would join with us on behalf of the people of the north, on behalf of aboriginal people and realize that we are all in this together. We are all facing unreasonable restrictions in legislation here. It is not just the natives.

Ms. Blondin–Andrew: Mr. Speaker, I would like to make the same offer to the members of the Reform Party. Instead of just beating their breasts about their own rights and how hard done by they are, perhaps they would take up the issue of aboriginal rights and for a change support aboriginal people on the question of their rights which they know are legitimate and legally and constitutionally binding.

I make this offer because since I have been in this House I have never on any occasion, not on land claims, on services for aboriginal people, on programs for aboriginal people and never on self–government have I heard an expression of support for aboriginal people by that group. I am making them the offer to come and support the aboriginal people as well.

Mr. Ovid L. Jackson (Bruce—Grey, Lib.): Mr. Speaker, I would like to compliment the hon. secretary of state on her eloquent representation of her people. I have two native reserves in my riding of Bruce—Grey, the Saugeen and Cape Croker. The member quite eloquently represented the position they find themselves in.

As a rural member I must also speak on behalf of the hunters, trappers, farmers and other rural people whose lives are different from most people. They have needs. In this case they are a minority. If we took a poll perhaps the majority of people would be against guns, but rural people have a different orientation, a different history, a real need. This bill in its current state could constitute some hardships for them.

I must compliment the minister on the smuggling penalties and the penalties for the use of a firearm in the commission of a crime. I hope that somehow the concerns of rural people can be accommodated in this bill.

Does the hon. member not feel that rural people do have similar needs to aboriginal people, particularly in ridings such as Bruce—Grey?

Ms. Blondin–Andrew: Mr. Speaker, I never disallowed the fact that members opposite or my hon. colleague here have legitimate concerns on behalf of their rural constituents or those people who hunt for sustenance and are non–aboriginal. I never disallowed that fact.

When I speak, the perspective I am speaking from is one I am very familiar and intimate with. It is one that I know inside out. I know the living situation, the personal experiences and human struggles of these people. I want to speak from that experience. I cannot speak as well for other groups. I can go out there to represent them if they ask me.

These are very specific issues, specific to a number of northern constituents. It could be northern provinces. It could be aboriginal people across the country. I can speak most expertly about what I know. That is the perspective I am speaking from, not to the prejudice of other groups.

• (1355)

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, the member spoke quite eloquently about hope for change in this legislation. I too hope for change in this legislation, but I listened to the justice minister make a very specific comment when he presented this legislation. That comment was that the consultation was literally over.

Does the member know something that I do not about the consultation process? Is it wide open? Are we in fact subject to significant change in this legislation? I would be very interested in knowing that.

Ms. Blondin–Andrew: Mr. Speaker, I wish the hon. member would not be so suspicious and so cynical. It does not help the whole issue of national unity or anything else for that matter.

The hon. member knows, as all members know, that there is a standing committee. The chairman is sitting in this House today as he well can see. Also, Michell Adkins and a group of officials are travelling across the country. Perhaps the members of the Reform Party will take it upon themselves to ensure that the groups in their ridings have access to both the standing committee as well as to the special group of officials travelling across the country.

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, the member has raised a couple of interesting points that I would like to address very briefly.

First, there are two groups of aboriginal people in my constituency and I work very closely with them. My most recent meeting with the chief was on Thursday night. I object to the innuendo that we are not working with these people and that we do not treat them as equals. I take exception to that.

In terms of consultations, I do have a letter from the minister in response to my request to come to my riding for further consultation. Thousands of people would have attended. Of course I was turned down because the consultations are over.

Also you mention in your speech about rights—

Mr. Speaker: I am sure the hon. member was referring to me but I did not make the speech. He must refer to the Chair. My colleagues, I am going to give the hon. member for Red Deer the floor right after question period. However, it being 2 p.m., pursuant to Standing Order 30(5), the House will now proceed to statements by members pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[*English*]

CARBON DIOXIDE EMISSIONS

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, scientists have predicted that global temperatures could increase 1.5 to 4.5 degrees Celsius over the next century. The cause is greenhouse gases from human activities and in particular, increasing concentrations of carbon dioxide. Greenhouse gases produce shifts in climate, in forest growth and agricultural patterns.

Led by Alberta, Canada is among the highest per capita producer of carbon dioxide emissions. Yet ignoring the large problems coastal provinces would face because of rising sea levels and the further disruption of fisheries, the province of Alberta is adamantly opposed to comprehensive carbon dioxide reductions.

The federal government repeatedly asked the provinces to co–operate and introduce mandatory carbon dioxide reductions. So far however, Alberta's inflexible position makes any meaningful reduction impossible and weakens our international reputation.

* * *

[*Translation*]

FRENCH–LANGUAGE SCHOOL BOARDS

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, last Friday, instead of announcing the creation of homogeneous French–language school boards in Ontario, the provincial education minister once again chose to put off that decision. In fact, he created a committee mandated to rationalize the governance of education in Ontario. This committee is to deliver its report next December, that is after the Ontario provincial elections. Moreover, this committee with a majority of anglophones has been made responsible for the future of French–language school boards.

Instead of taking action, Ontario goes on violating the Canadian Charter, which it signed of course, a charter which grants francophones the right to manage their schools.

Instead of taking action, Ontario is letting the situation deteriorate; consider the 31 per cent illiteracy rate and 38 per cent rate of assimilation among Franco–Ontarians.

During the next referendum, Quebecers will remember that those who speak about a renewed federalism are merely playing with smoke and mirrors.

* * *

[*English*]

PROVINCE OF QUEBEC

Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.): Mr. Speaker, government officials, whether municipal, provincial or federal, are elected to represent their constituents. Both the Parti Quebecois and Bloc Quebecois do not seem to agree with this. Their idea of a referendum is not to find out what the people of Quebec want but rather how to force them into accepting separation.

Now the PQ and BQ want to water down the question so the issue remains unsettled. This presents a problem for all Canadians, including those in Quebec. Uncertainty is causing interest rates to rise, the dollar to fall and international credit to be re–examined. It is also likely to be partly responsible for the Liberal's failure to properly deal with the deficit for fear of upsetting Quebec.

If the Parti Quebecois does not call the referendum with a clear question on separation within its own 1995 timetable, I call on the Prime Minister to hold a federal referendum in Quebec to settle this issue by year's end. This uncertainty must not continue.

* * *

JUSTICE

Ms. Beth Phinney (Hamilton Mountain, Lib.): Mr. Speaker, I would like to commend the Minister of Justice for his speed in tabling a bill on the subject of intoxication as a defence.

All Canadians were outraged last autumn when a man convicted of rape had his conviction overturned by the Supreme Court on the grounds of extreme drunkenness. Many residents of my riding were concerned that this decision would be seen by some as a licence to commit offences while under the influence of drugs or alcohol.

Allowing individuals to justify their acts of violence by blaming intoxication will hamper efforts to end violence in our society and cause further victimization.

I am sure that all members of the House will join me in supporting the efforts of the Minister of Justice to eliminate this loophole in the criminal justice system.

[*Translation*]

REFERENDUM DEBATE

Mr. Raymond Lavigne (Verdun—Saint–Paul, Lib.): Mr. Speaker, on March 31, 1993, the leader of the Bloc Quebecois declared in *La Presse* that all those who live in Quebec are Quebecers.

The fine words of the leader of the official opposition do not seem to have been heard by his peers, since, in recent weeks, racist remarks by Quebec separatists have been on the increase.

This weekend, Pierre Bourgault accused anglophones in Quebec of wanting to exercise a blatantly racist vote, while the Bloc Quebecois member for Louis–Hébert wanted ethnocultural communities to withdraw from the referendum debate and let old stock Quebecers decide the province's future.

These statements are unacceptable in a democratic society such as ours, and we invite all Quebecers to refuse to participate in a sovereignty debate that is based on intolerance and racism.

* * *

[*English*]

NORTHERN IRELAND

Ms. Mary Clancy (Halifax, Lib.): Mr. Speaker, as many know, Northern Ireland is moving forward in pursuit of peace.

In the past few months, Irish and British officials have been negotiating a framework that will ultimately make the tyranny of violence in Ulster a thing of the past. Many Canadians, particularly those of Irish descent, wish the people of Northern Ireland well in this crucial transition period.

Years ago when my ancestors left that beautiful country, like all immigrants to Canada they also left behind the ancestral feuds for a more peaceful new world.

We all hope that we can soon see an emerald isle where the peace and tranquillity of the people reflect the beauty of the landscape.

* * *

[*Translation*]

MICHEL BÉLANGER

Mr. Pierre de Savoye (Portneuf, BQ): Clearly, Mr. Speaker, there are two Michel Bélangers.

There is one Michel Bélanger, a true statesman, a man of imposing presence and influence, who can inspire in Quebecers a healthy confidence in themselves.

At the time he co–chaired the commission on the political and constitutional future of Quebec he was impervious to the exaggerations and arguments of fear still being brandished by a few federalists who lacked the fine words of terror that were the specialty of the Prime Minister of Canada.

Then there is the other Michel Bélanger. A man who heads the NO camp, whose imposing presence is withering away inside the ideological straitjacket put on him by the federalists. These days, Michel Bélanger has become the bogeyman.

This man, who had raised the debate on the national issue to the level of pragmatism and a people's belief in itself, has been reduced to visiting homes for the aged and telling the people there that a sovereign Quebec could no longer afford to pay their pensions.

This shows how little argument the man has left.

* * *

[*English*]

PENSIONS

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, the government has just introduced amendments to the MPs' pension plan but in reality has just changed troughs and given it a new look.

• (1405)

This new plan is still much more lucrative than what a person in the private sector would receive. Basically it is nothing more than smoke and mirrors.

The new package is still fully indexed to inflation, something 78 per cent of the public does not enjoy. The accrual rate is twice the amount allowed for under the Income Tax Act and is therefore illegal.

How can the government in good conscience ask overtaxed Canadians to tighten their belts while doing exactly the opposite itself?

I ask every MP in the House to join hands with the rest of Canada and make a sacrifice by opting out of this hideous MP pension plan which still says to Canadians: "We will line our pockets and tough luck to you". I also applaud every MP who is opting out, especially my colleagues in the Reform Party.

When the budget is tabled later today, Canadians will not forget that less than a week ago it was the government that chose above all else to take care of its own.

* * *

GUN CONTROL

Mr. Chris Axworthy (Saskatoon—Clark's Crossing, NDP): Mr. Speaker, it has become apparent that this Liberal government is trying hard to stifle discussion of its gun control legislation.

The interest in, and demand for, copies of Bill C–68 is overwhelming. Initially the Minister of Justice limited MPs to just 15 copies. If that was not bad enough, we now find that the chief government whip has further ordered the House distribution centre to limit that number to five copies per member. Five copies among 75,000 or 100,000 citizens is hardly the open and honest government of the Liberal red book.

Canadians are being denied their most basic democratic right; the right to understand and discuss the laws of the land.

The last time such anti–democratic action was taken by a federal government was by the Conservative government of Brian Mulroney. The legislation—you guessed it—was gun control, Bill C–17.

I want to congratulate the Saskatchewan Association of Responsible Firearms Owners that has been making copies of this legislation available for $5 each. Surely important issues deserve open and informed debate. Surely Canadians are entitled to access proposed legislation that affects them. Why does the Liberal government want to deprive Canadians?

* * *

ONTARIO SPECIAL OLYMPICS

Mr. Andrew Telegdi (Waterloo, Lib.): Mr. Speaker, this last weekend Kitchener–Waterloo hosted the 1995 winter games, the Ontario Special Olympics.

The Ontario Special Olympics are part of a worldwide charitable organization that helps meet the need for sport training and competition among 300,000 children and adults who are developmentally challenged. Two hundred and ninety–five athletes competed and they were true to their Special Olympic oath: "Let me win, but if I cannot win, let me be brave in the attempt".

Generous donations in excess of $156,000 and the efforts of over 700 volunteers helped to make this year's winter games a great success.

This spirit of compassion, caring and sharing was demonstrated by my community and exemplified by the 107 members of the Westvale Public School choir that sang: "Keep the Spirit Alive". This song was written especially for the opening ceremonies by their teacher Lorna Beam.

The very special athletes of the Ontario Special Olympics rose to the challenge and exemplified to all Canadians how to keep the spirit alive.

* * *

INCOME TAX

Mr. Dan McTeague (Ontario, Lib.): Mr. Speaker, I recently attended an anti–tax rally in my riding where 2,000 people told the government they do not want tax increases in the budget.

Canadians have a right to be heard and the Minister of Finance has made it possible through an open and full budgetary process.

It is wrong however when the Reform Party, in concert with top officials in organizations such as the Canadian Taxpayers' Federation, tries to pass itself off as leading the anti–tax message in Canada.

The CTF and provincial counterparts such as the Ontario and Alberta Taxpayers' Federations are staging anti–tax rallies across the country. Unfortunately that is not the only thing they are staging.

The CTF states it is independent of all political affiliation, yet Mr. Andrew Crooks, member of the CTF board of directors and head of the Alberta Tax Federation ran for the Reform Party nomination in Calgary and contributed $3,000 to the Reform Party in 1993. Mr. Paul Pagnuelo, executive director of the Ontario Taxpayers' Federation also sought the Reform Party nomination in the riding of Durham.

Canadians have legitimate concerns about the budget and they want to see these concerns taken into consideration. However, they do not want to be taken in by these people who are trying to further their political ambitions.

* * *

[*Translation*]

REFERENDUM DEBATE

Mrs. Eleni Bakopanos (Saint–Denis, Lib.): Mr. Speaker, on behalf of all of the linguistic and cultural communities in Quebec, I would like to condemn the racist and intolerant comments made by the Bloc member for Louis–Hébert. He believes that ethnic communities should keep their noses out of the referendum debate and let Quebecers of old stock make the decision on our future.

He admitted to journalists that he deliberately used the expression "Quebecers of old stock" because he believes that anglophones and allophones have always systematically voted for the Liberal Party and that it is a given that they will vote against sovereignty.

● (1410)

If the only ones in this House allowed to vote were the hon. members of old stock, then the hon. member for Louis–Hébert would have to refuse this right to many among us, including the Bloc member for Bourassa, who is from one of Quebec's cultural communities.

The Bloc member's comments are a real embarrassment, and I invite all members of this House to openly condemn such words of hate.

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DEFENCE SPENDING

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, a study published by an employee of the Department of National Defence found that Quebec is getting literally gypped out of $650 million per year in regional allotment of defence spending.

It is simply scandalous to see that, over the past 15 years, Quebec has received 27 per cent less than its fair share of defence spending. To add insult to injury, the study confirmed that francophones are under–represented in the higher ranks of the army. For example, there is only one francophone lieutenant–general out of nine and three majors–general out of 31. There has been no change on this front for at least 10 years.

This sheds some light on the government's decision to close the only francophone military college. We are tired of seeing that, year in, year out, Quebecers have remained so poorly served by the federal system in Canada.

* * *

[*English*]

INCOME TAX

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, the finance minister has said repeatedly that he will make the taxation system fairer by increasing taxes on the rich. Here is a Canadian tale that contradicts him.

Two students did equally well in high school. One went to work at age 18. He had a good time, attended the rallies of the peace generation and spent all he earned. The other went to university and graduate school, worked during the summer, lived frugally and invested wisely. He held his first full time job as a professional at age 28.

Both men are now 50. The first makes $30,000 and pays 14 per cent of it as income tax. The second makes over $51,000. He belongs to the top 10 per cent of Canadians who pay 50 per cent of all income taxes.

This so–called rich person insists that fairness requires he pay less income taxes, not more as the minister suggests. I agree.

* * *

CANADIAN COAST GUARD

Mr. Ron MacDonald (Dartmouth, Lib.): Mr. Speaker, this past Saturday a tragic accident occurred over the Margaree River in Nova Scotia when a coast guard helicopter carrying four people crashed. The helicopter was returning home after completing a fisheries patrol along the river.

Transport Canada pilot Stephen Hemphill of Dartmouth was killed in that crash. His daughter Lindsay was injured, as were Wes Barrington and Adrian Tousenard, observers with the Department of Fisheries and Oceans.

Mr. Hemphill was an experienced pilot and was one of the first North Americans to fly over the north pole during the 1994 *Louis St. Laurent* mission. In addition to his outstanding service to Canada, he devoted much of his time to helping others. He received a Medal of Bravery from the Queen in 1979 after he rescued three young boys at sea. He was very active in the

community for many years with the Dartmouth Crusaders swim team and coaching minor baseball.

I would ask that the House join with me in offering our deepest sympathies to Mr. Hemphill's wife and two children and our best wishes for a speedy recovery to those others injured in the crash.

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BREAST CANCER

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, a Canadian woman has a one in nine chance of getting breast cancer in her lifetime.

In fact, Canada has one of the highest rates of breast cancer in the world. Each year 16,000 women are diagnosed with breast cancer and tragically over 5,000 die each year from this disease.

In November 1993 Health Canada, in conjunction with a number of organizations, hosted a national forum on breast cancer. One of the principal recommendations was that we must develop a new sense of urgency to deal with this disease.

Specifically they recommended the need for improved research funding, coupled with a need to provide women with better access to information, effective screening and treatment programs.

We can and must do more to address this urgent and pressing need. Breast cancer can and must be beaten for the benefit of all Canadians.

* * *

• (1415)

VISION AWARENESS WEEK

Mrs. Rose-Marie Ur (Lambton—Middlesex, Lib.): Mr. Speaker, I would like to extend my regards to the Canadian Association of Optometrists on the occasion of Vision Awareness Week, March 5 to 11.

For the second year in a row the CAO is focusing on its theme of vision connection to literacy. Although good vision is an essential building block for acquiring good reading skills, the linkage has not as yet been made prominent. For example, one in six children has a vision problem which makes it difficult to learn and read.

Through the events organized this week through the CAO Canadians will come to see that the attainment of full literacy skills depends not only on proper instruction but on good eyesight as well. A study has shown that 75 per cent of adults with low literacy skills also have vision problems.

On behalf of the residents of Lambton—Middlesex, I wish the Canadian Association of Optometrists every success.

ORAL QUESTION PERIOD

[*Translation*]

PEACEKEEPERS IN FORMER YUGOSLAVIA

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, according to a spokesperson for the White House, President Clinton plans to send American soldiers to Croatia and Bosnia to protect UN peacekeepers during their withdrawal, if they are to withdraw, now that the president of Croatia has refused to extend the peacekeeping mission after March 31.

Could the Prime Minister tell us whether, when the U.S. president was in Ottawa, he discussed with the president the plan to send massive numbers of American troops to allow the withdrawal of UN peacekeepers from Bosnia and Croatia?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, the answer is yes, we did discuss this problem, because I think NATO has an obligation to ensure that troops now on duty as peacekeepers in Croatia and Bosnia are able to return safe and sound. The Americans have already made a commitment to ensure secure withdrawal, and we hope they will, if Croatia asks UNPROFOR troops to withdraw from Croatian territory and such measures are necessary.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, I would like to know whether the Prime Minister intends to put pressure on the Croatian president and persuade him to reconsider his present position which, as the Prime Minister himself indicated, is to demand the withdrawal of UN peacekeepers from Croatia, once the deadline has expired?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, that is the option Canada has chosen, and we said so two weeks ago when a delegation of parliamentarians from Croatia came to Canada. I had the pleasure of meeting them, and I told them clearly I thought it was a mistake to ask the troops to withdraw at this point, because the risk of war was imminent once UN soldiers had left.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, I want to thank the Prime Minister for clarifying his position on continuing the peace mission in Croatia.

As far as Bosnia is concerned, I would like to ask him whether he would agree that in this case as well, the mission of Canadian peacekeepers should be extended as well beyond March 31, since a withdrawal of UN peacekeepers at this time will merely allow the conflict to escalate, while the civilian population and refugees will be totally deprived of humanitarian aid?

[*English*]

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, there will be a decision made about the continuation of the presence of our troops in Bosnia and Croatia. We have to

make a decision this month and we will make it known to the House of Commons very soon.

We are of the view that it would be an error for the Croats to ask for the withdrawl of UN troops to get out of that situation but they have explained to us that they are afraid the presence of UN soldiers will create a de facto division of Croatia. They are afraid it might be another Cyprus. That seems to be their political reason to move. The danger is that if troops are out of Croatia by the end of the month there will be a direct confrontation with the Serbs which we think will cause a lot of deaths.

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[*Translation*]

NATIONAL DEFENCE

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, a study conducted by a National Defence researcher shows that Quebec and Western Canada are largely disadvantaged in the distribution of defence expenditures. In Quebec in particular, the shortfall is at least $650 million per year.

How can the minister of defence explain that, with only 3 per cent of the population of Canada, Nova Scotia alone has more military personnel and as many civilian employees as Quebec, which is eight times bigger?

• (1420)

[*English*]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, military installations were not built as part of some kind of infrastructure program to benefit various regions of the country. They were built to serve the real needs of the Canadian Armed Forces in two world wars. Since we fought two wars in Europe and since most of the troops left by ship it is natural that there would be a big military presence by virtue of the navy headquarters being in Halifax.

With respect to Quebec, obviously if the port closest to Europe is Halifax troops would not be dispatched from Montreal or somewhere else farther inland.

However, I should point out that later this year we will be opening the naval reserve headquarters in Quebec City. We have been opening a number of small naval operations along the St. Lawrence River and in the Gulf of St. Lawrence so that Quebec does have a naval presence.

[*Translation*]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, all excuses are good to justify inequity. The strategic position of Ontario, for example, is completely different from that of Nova Scotia; yet, Ontario receives its fair share of military investments.

Does the minister of defence not think that it would have been wise to go along with the proposal made by the official opposition last year and keep the military college in Saint–Jean open, in order to help correct the unfair treatment of Quebec with respect to the Canadian Forces?

[*English*]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, we have been through this argument a number of times before.

We felt that with the declining numbers of the armed forces we only needed one military college in Canada, located at Kingston.

This government is very eager that Royal Roads in B.C. and St–Jean in Quebec, those military colleges, have their facilities used for the ongoing betterment of the citizens in the region. It is for that reason that my colleague, the Minister of Intergovernmental Affairs, negotiated a very successful agreement with the local people in the St–Jean region over the objections of the Bloc Quebecois and the government in Quebec City.

* * *

MEMBERS OF PARLIAMENT PENSIONS

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, today, budget day, represents a test of character for the government. Today we would like to find out if this government has the courage to reduce spending and the courage to hold the line on tax increases. More important, we will find out whether it has the courage to lead by example.

If the budget contains significant spending cuts it is obvious to Canadians that the first of these must be made at the top with respect to MPs' pensions.

My question is for the President of the Treasury Board. Which members of the cabinet will be setting the example of spending cuts at the top by opting out of the obscene MPs' pension plan?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, it has been made quite clear that when the pension bill is approved by this Parliament there will be 60 days that members will have to consider that, including hon. colleagues in the third party.

When it comes to showing leadership we have cut taxpayer contribution to this pension plan by fully one–third, $3.3 million, and we are showing leadership in expenditure reduction.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the test of the courage of these remarks is not whether they make sense in this House but whether they will make sense in the constituencies.

The Canada pension plan, according to the government's own report, will be wiped out in 20 years unless there are significant increases in contributions. While Canadians' pensions are being put at risk the financial security of senior ministers and MPs is assured by this pension plan—business as usual at the MP pension trough.

How can the minister stand here today knowing that many ordinary Canadians are in danger of getting no Canada pension at all and still defend pension provisions for senior ministers like the Deputy Prime Minister who will be collecting millions in retirement?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, as I think was pointed out in the consultant's report that was tabled last year at the Lapointe commission, when it comes to compensation levels overall, and it must be looked at in this context, members of Parliament are lower than the equivalent in the private sector.

• (1425)

This particular reduction in MP pensions will make them even further down the scale in terms of that comparison. On top of that, members of Parliament contribute twice as much to the pension plan in many cases as private sector plans.

The hon. member still has his RRSPs and his clothing allowance, all of which he can—

Some hon. members: Oh, oh.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, to date at least 48 of the 52 Reform MPs in this House have confirmed they will opt out of the MP pension plan.

If the minister cannot tell the House which ministers will be opting out can he at least give us an idea of the number of members of the Liberal caucus who will be opting out of this pension plan?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, it is a personal choice and one that members will have an opportunity to make over a 60–day period once the bill has passed through Parliament.

I want to reiterate that there is a reduction in this plan. There is no retroactivity to the plan but I noticed that the head of the National Citizen's Coalition does not think that is a good idea. It is fair that members should continue to earn what they have earned up to the point where the pension bill is passed.

Overall, every member of this House, cabinet or non–cabinet, faces a reduction in the pension benefit, an overall reduction in the compensation package. I think that is showing the leadership that we need going into this budget today.

* * *

[*Translation*]

NATIONAL DEFENCE

Mr. Jean–Marc Jacob (Charlesbourg, BQ): Mr. Speaker, my question is for the Minister of National Defence.

According to a study done for the Department of National Defence, francophones are grossly underrepresented among senior officers in the armed forces. The study shows that French–speaking officers are concentrated in nursing and chaplain services.

How can the minister explain that, in the top military ranks, francophones account for only one out of nine lieutenant–generals and three out of 31 major–generals, when his government has closed the only French–language military college in Canada?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, first of all, I must point out that the Canadian Forces better reflect the Canadian reality of two official languages.

[*English*]

Mr. Speaker, the armed forces is probably the one institution in this country that reflects the duality of Canada's linguistic constitutional reality more than anything else. Thirty per cent of the armed forces personnel are francophones, about 25 per cent at the officer level. There is room for improvement and that is why when the postings and promotions for general officer level are made public shortly we will see francophones in very significant positions within the hierarchy of the armed forces.

[*Translation*]

Mr. Jean–Marc Jacob (Charlesbourg, BQ): Mr. Speaker, I think that the minister has just confirmed that francophones are overrepresented in the junior ranks and underrepresented in the senior ranks.

How can the minister of defence justify such underrepresentation of francophones in the Canadian Forces, where there are almost no French–speaking officers in personnel selection, security and intelligence?

[*English*]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the hon. member really should take a stroll over to national defence headquarters one day. I think he will be amazed at the degree of bilingual discussion and personnel there. Twenty–five per cent of all the senior officers in the armed forces are francophone.

This will be improved upon, as I said, when the postings are announced shortly.

* * *

• (1430)

PENSIONS OF MEMBERS

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, the Liberal two–tier pension reform is inadequate, unfair and in fact illegal in the private sector. The MP accrual rate of 4 per cent is double the legal limit allowed for the rest of Canadians under the Income Tax Act.

How can the President of the Treasury Board justify this blatant double standard in light of the job losses that will have to be announced this afternoon in the budget?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, the basic pension plan in accordance with the Income Tax Act is 2 per cent. As in the case in the private sector, there are many supplementary plans where additional moneys are put aside. It is quite common for that to happen in our community.

Let me also point out that what is not common is that in this case members of Parliament pay double what is normal in the private sector in terms of their own contributions. In spite of all that, we are reducing the amount of the taxpayers' contribution to the MP pension fund by a third, by 33 per cent.

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, the solution to a fair and proper pension plan is simple: Pass a bill in the House that would make MPs subject to the same laws as all other Canadians. That way an MP pension plan would be no better than that of any other Canadian or as good as any plan that is out there in the real world.

Why will the minister not consider abolishing his ill fated, inadequate, still gold plated, two–tier pension plan and make it the same as those in the private sector?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I can understand that members of the Reform Party are taking aim at the cheapest thing they can find. Members of Parliament are terribly underpaid in this nation. At this time they are trying to undermine the institution.

Some hon. members: Oh, oh.

Some hon. members: Hear, hear.

Mr. Chrétien (Saint–Maurice): When a member of Parliament is making less money than the worst hockey player in the NHL, half of what a hockey player makes, I think I understand the problem of Reform Party members. They know they are not very good and they know they will not benefit from the plan because they will be defeated in the next election.

* * *

[*Translation*]

BLOOD SUPPLY

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

Last Friday, the minister told the media that she still had not read in detail the interim report of the Krever commission, which was submitted to cabinet ten days before.

How can the Minister of Health, who said on several occasions in this House that she was anxiously waiting for the Krever report to take action regarding the tainted blood issue, justify that on Friday, ten days after the tabling of that report, she still had not read it in detail, considering that the health and lives of thousands of people are at stake?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, I said that we were thoroughly reviewing judge Krever's interim report and that we would provide a detailed answer as possible.

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, will the minister at least tell us that she made the necessary representations to the Minister of Finance, so that he does not cut into the funds allocated to the federal agencies responsible for the safety of our blood supply, since these agencies already lack the financial resources necessary to fulfil their mandate?

[*English*]

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, I have taken my position as Minister of Health very seriously. We at Health Canada and I as Minister of Health have not waited for the recommendations of Justice Krever. We have doubled the resources of the Bureau of Biologics within the past year.

We will continue to ensure that there are adequate resources to enforce the regulatory powers of Health Canada.

* * *

PENSIONS OF MEMBERS

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, this afternoon in his budget speech the finance minister is sure to ask that we all make sacrifices for the good of the country. He will lecture Canadians on the need to make tough choices. Yet Liberals are providing themselves with pensions twice as rich as the best in the private sector. They will get their pensions at age 55 even though they want to raise the age limit to receive the Canada pension plan from 65 to 67.

• (1435)

Is the Prime Minister telling Canadians to do as I say and not as I do?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, everybody knows in Canada that to be a member of Parliament is a very unusual occupation. We do not come to Parliament to be here for 50 years. That is very rare. There are only two of us who have been here pretty long: the Solicitor General and myself. The average stay in the House is less than six years. That is a reality people understand.

We have said to the Canadian people very clearly in the red book what we were to do. We went even further than that and we campaigned on that.

I understand members of the Reform Party tried to present a budget last week and it was a complete flop because they were not competent enough to prepare a competent budget. Being so incompetent they know their value is not very good and they do not want to be overcompensated.

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, we hear a lot of rhetoric from the competent members opposite about fairness and equity.

Will the Prime Minister explain to Canadians why there is one standard of fairness for Liberal members of Parliament and another for the rest of Canadians?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I think members of Parliament who were elected previously have acquired some rights. There is a rule in democracy that we do not pass retroactive legislation. When people have acquired some rights we respect the rights that have been acquired.

I know that members of the Reform Party are desperate. Since they have no policy except the same rhetoric all the time, they now choose to go for the cheap shot. You know the people who have no generosity, but the Canadian people understand that we have good members of Parliament who work very hard, are underpaid and deserve every penny we are paying for them as taxpayers of Canada.

* * *

[*Translation*]

THE ENVIRONMENT

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, on February 21, the Quebec court of appeal declared the federal regulations on PCBs unconstitutional. This decision puts an abrupt end to double regulation of PCBs and leaves the field open for Quebec, whose standards are much stricter than Ottawa's.

Does the minister agree that this recognition by the courts of provincial jurisdiction in the area of toxic products invalidates a significant part of federal environmental legislation on the control of toxic products?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, it is true that the court of appeal dismissed the interim order issued by the Minister of the Environment, the hon. member for Lac–Saint–Jean.

The court decided that the interim order he issued following the incident in Saint–Basile–le–Grand was improper. The court decided not to rule on specific sections of the Canadian Environmental Protection Act. The interim order issued by the hon. member for Lac–Saint–Jean was declared unconstitutional.

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, even though the decision ends double regulation of toxic products, will the minister confirm the statement by her parliamentary secretary for the environment that the federal government will study the possibility of appealing this decision to the Supreme Court?

[*English*]

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, to clarify, the Court of Appeal ruled that the interim order put in place by the then Minister of the Environment, the hon. member for Lac–Saint–Jean, was unconstitutional.

It ruled on the PCB interim order that has subsequently been replaced by chlorobiphenyl regulations. It specifically did not rule on the constitutionality of the application of CEPA. It protected the integrity of CEPA.

• (1440)

I think the majority of Canadians would support the notion that the federal government has a very specific role to play in the cross–border transportation of toxic materials. It did, however, rule that the interim order put in place by the then Minister of the Environment was unconstitutional.

Mr. Guy H. Arseneault (Restigouche—Chaleur, Lib.): Mr. Speaker, global warming is a problem that threatens the survival of the earth—

Some hon. members: Oh, oh.

The Speaker: The hon. member for Restigouche—Chaleur has the floor.

Mr. Arseneault: I guess I have a fan club in the Reform Party. They may not take global warming seriously but we do on this side of the House. We know that it threatens the environment and that inefficient use of energy is a contributing factor.

Could the Minister of Natural Resources inform the House about the federal buildings initiative and what it is doing to reduce expenditures and at the same time get our house in order environmentally?

Hon. Anne McLellan (Minister of Natural Resources, Lib.): Mr. Speaker, as the hon. member has indicated, the federal government has initiated a very important program called the federal buildings initiative, or otherwise known as the FBI program, that operates throughout the federal government in all departments. It is fully operational now. It speaks to increased energy efficiency through the retrofitting of all federal government buildings and installations.

Let me update the House on the success of the program to date.

Some hon. members: Oh, oh.

Ms. McLellan: As the hon. member for Restigouche—Chaleur has indicated, while the hon members of the third party may not be interested in energy efficiency and climate change we on the government side are.

Let me say very briefly that we have initiated 80 projects involving over 2,400 federal government buildings.

The Speaker: I am always reluctant to intervene either in a question or an answer, but probably two kicks at the can is as far as we go.

* * *

CANADA PENSION PLAN

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, you are doing a good job. The Superintendent of Financial Institutions reported that the Canada pension plan fund would be broke in 20 years and the projected premiums paid by workers and employers would have to more than double to keep the fund afloat. The contingent liability in the plan is estimated at $500 billion, about as big as our whole government debt.

I did not give you a compliment, Mr. Speaker, just so that I could ask a long one. Could the Minister of Human Resources Development—

The Speaker: I am always flattered by these comments and I know the hon. member will want to do as good a job as I do by putting his question.

Mr. Breitkreuz (Yorkton—Melville): Mr. Speaker, I was asking my question.

Some hon. members: Oh, oh.

Mr. Breitkreuz (Yorkton—Melville): My apologies. Could the Minister of Human Resources Development tell us why his review of social security programs did not deal with this looming crisis?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I am very glad the hon. member got to put his question, but it is a question that does not make an awful lot of sense or have relevance.

He should know that the Canada pension plan is subject to the five–year annual review of federal–provincial finance ministers as part of the statutes or the legislation itself. That review will take place this fall.

One thing we have to look at, because it is a matter of some concern, is that over the past year or two there has been a substantial rise not in the income security portion but in the disability portion of the Canada pension plan, which is one of the fundamental causes for the increased outflow during the past year and a half.

• (1445)

We have to look at this matter. It is a consequence of other jurisdictions taking decisions on things like workers' compensation that as a result people become part of the CPP regime. We will be looking at this. It will be part of the review. I can assure the minister that once again, the government is in good hands.

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I am not a minister yet.

The Liberal Party looks after its own pensions. I wish it would do this with as much enthusiasm for the rest of Canadians. Not only will this rate increase force an increase in payroll taxes that will kill jobs, but younger Canadians will also question whether CPP is even a good investment.

MPs will be given a choice to opt out of the MPs pension plan. Will younger Canadians be given the same opportunity to opt out of this bankrupt pension plan?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, it is a very strange and curious question. It comes from a member of a party which just a week ago tabled its own so–called budget proposal.

That proposal recommended the total abolition of all parental or maternity benefits. This would have totally denied any kind of fiscal support for close to 200,000 mothers in this country. It would have denied and abolished disability benefits for close to 200,000 Canadians. It would have taken over $3 million out of the OAS.

* * *

[*Translation*]

SOCIAL HOUSING

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, last Friday the Quebec minister of municipal affairs and housing rejected the federal government's proposal to increase the amount individuals must pay for social housing from 25 to 30 per cent of their income.

My question is for the minister of public works. Since the Quebec government has decided not to increase the amount to be paid for social housing, can the minister tell us whether he

intends to reverse his position and maintain at the current level the amount to be paid for social housing?

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, I suggest that the hon. member be somewhat patient. The Minister of Finance has the representations and has had them for quite some time.

[*Translation*]

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, I would have expected a better answer from the minister who has nevertheless found $600,000 to build a brick wall in his honour in his riding.

Are we to understand that, by virtue of this measure which serves to increase requirements made of individuals in social housing, the federal government would once again download the burden of its deficit onto the backs of the most destitute and that the 110,000 affected households in Quebec can expect nothing further from this federal government?

[*English*]

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, in terms of the premise of the hon. member's question, I disagree totally. Perhaps he could be a little more patient. His answer will come later this afternoon.

* * *

HEALTH

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, the Krever inquiry has just tabled its interim report. It has some very specific recommendations on how to decrease the amount of AIDS in our country. Since lives could be saved, will the health minister move quickly to implement those recommendations?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, the member will understand that we have made the report public. We are funding the Krever commission. We are very interested in taking whatever actions are necessary. The member must remember that there are other players in the blood supply system, including the provincial governments, the Canadian Red Cross, and other partners. They are also taking this very seriously.

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, there is some degree of inconsistency in this minister's response. On the issue of testing for AIDS for immigrants, the minister said no. Since this particular issue will save lives, I simply ask: Will the minister take haste to look after these recommendations?

• (1450)

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, we have taken haste and we have not waited for the recommendations to take action. Many of the recommendations have already been acted on. We will take action on any others that are within our responsibilities.

* * *

HUMAN RIGHTS

Mr. Sarkis Assadourian (Don Valley North, Lib.): Mr. Speaker, my question is for the Secretary of State for Latin America and Africa.

In Pakistan, Salam Masih, 14, and his uncle Rehmat were convicted to die for writing anti–Islamic slogans on a mosque wall. I am pleased to hear that the conviction was overturned by the high court.

What action has the secretary of state taken on behalf of the Government of Canada to ensure that human rights of minorities are protected in Pakistan?

Hon. Christine Stewart (Secretary of State (Latin America and Africa), Lib.): Mr. Speaker, the Government of Canada is very pleased, as is my colleague, that the appeal court overturned the conviction and execution of Salam Masih and his uncle in Pakistan. We believe it was in part due to our government's representations to the Government of Pakistan, along with representations by other members of the international community.

We remain very concerned about the human rights abuses particularly as they are brought against religious minorities in Pakistan. We will continue to work with the Government of Pakistan along with the NGO community to correct this.

* * *

TRADE

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, my question is for the Prime Minister.

As part of the Prime Minister's promise on February 14 to this House, would the Prime Minister please inform Parliament as to the outcome of his discussions with President Clinton regarding the American restrictions on Canadian sugar and products containing sugar?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I was asked by many members on this side to raise that question with the President of the United States. I mentioned it to him and made it very clear that in our view there was no problem at all. It is an area where there is a perfect balance of trade. There is no surplus on either side. Therefore, we do not understand why the United States would like to undo what is working very well at this moment.

FORESTRY

Hon. Audrey McLaughlin (Yukon, NDP): Mr. Speaker, my question is for the parliamentary secretary for northern affairs.

Today, budget day, we are expecting to see cuts for every Canadian. I would like to suggest that the government is overlooking a source of revenue because of its inability to act on stumpage fees in the Yukon. It would be environmentally sustainable and would in fact generate revenue.

Right now stumpage fees are 20 cents as compared to $60 in northern B.C. That is one–third of 1 per cent of what the northern B.C. stumpage fees are. The federal government could raise $19 million a year on stumpage fees. Why is the government not acting now?

Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.):

[*Editor's Note: Member spoke in Inuktitut.*]

[*English*]

Mr. Speaker, the minister is personally interested in this. The department has put aside some time to study this area. As the hon. member mentioned, stumpage fees in the Yukon are only 20 cents per cubic metre and $30 per cubic metre elsewhere. Indian affairs is now looking at the whole issue in order to ensure that the Yukon people benefit from the stumpage fees as well as to make sure environmental measures are put in place so that the Yukon forest is not decimated.

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[*Translation*]

FISHERY RESOURCES

Mr. Yvan Bernier (Gaspé, BQ): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

The European Union does not accept NAFO's decision regarding turbot quota allocation between NAFO member countries. If no agreement is reached, turbot stocks could be decimated, like other overfished species in the past.

• (1455)

Does the Minister of Fisheries and Oceans see that urgent measures are needed to protect fishery resources in the Atlantic and does he intend to do all in his power to have the Minister of Foreign Affairs convince the European Community that protecting this resource makes good sense? What does he intend to do?

[*English*]

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I welcome the member here today and thank him for his excellent question. I know he has been busy with the hearings in the province of Quebec. Obviously he has been listening and that is why he is having trouble speaking. He has come to the conclusion that the future is here in a united federation and it is where we solve our problems. We are delighted to have him back.

We had a very good decision.

[*Translation*]

At the NAFO conference in Brussels, we made good decisions for the fishermen of Quebec and Canada. We gave Quebec fishermen new opportunities.

[*English*]

I assure the member that we are not going to throw away that opportunity. We are going to preserve the stock because we have the united will of all of the fishermen, tous les pêcheurs du Canada, behind the government to solve this problem.

* * *

IMMIGRATION

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, my question is for the youngest minister eligible for the full, unreduced pension.

Some hon. members: Oh, oh.

The Speaker: My colleagues, usually when we put questions we address the minister by his or her correct title. I know the hon. member will want to do that as he puts his question now.

Mr. Hanger: Mr. Speaker, late Friday a press release was circulated which announced officially that the minister for immigration intended to sign a treaty with the United States that would allow Canada to share responsibilities for refugee claimants with the U.S.

I ask the minister of immigration, what exactly will the terms of this treaty be and why did he refuse to sign the treaty one year ago?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): I did not know he was addressing it to me, Mr. Speaker.

We should look at what the Prime Minister of Canada and the President of the United States did over the two days. Much was accomplished. There was a good mood among Americans and Canadians in the type of relationship we have.

The President and the Prime Minister have mandated their respective ministers to report back in six months with respect to negotiating a memorandum of understanding on asylum seekers. It will not only be on the basis of the integrity of the system so that refugee claimants can take one good kick at the can either in the United States or in Canada, but also with the view to better protecting those refugee claimants.

It is a positive undertaking. The Americans were not ready one year ago. I am confident that after six months of discussions we will be able to have an agreement that not only protects the North American context but leads the way for good agreements based on integrity and protection.

* * *

JUSTICE

Hon. Warren Allmand (Notre–Dame–de–Grâce, Lib.): Mr. Speaker, my question is for the Minister of Justice.

Recently the government announced that the war crimes unit in the justice department would be cut from 24 to 11 employees. In January the Minister of Citizenship and Immigration and the Minister of Justice announced a strategy to deport war criminals currently in Canada. The minister stated that Canada would not become a safe haven for such criminals.

Would the minister say how the government can maintain these policy goals when the war crimes unit will be so drastically reduced?

• (1500)

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, we can achieve those goals by taking action. That is exactly what we have done in the case of suspected war criminals.

Working closely with my colleague, the Minister of Citizenship and Immigration, we have identified a number of cases involving persons from the second world war in respect of whom we have instituted or will institute civil proceedings for their denaturalization and deportation.

Second, in relation to more modern wars and conflicts, we have already instituted a proceeding in respect of a suspect from the conflict in Rwanda.

We are committed to the principle that Canada will not become a haven for those suspected of war crimes abroad. We are keeping resources, both in justice and in immigration and citizenship, sufficient to allow us to achieve that objective.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

GOVERNMENT OPERATIONS

Mr. John Harvard (Winnipeg St. James, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the report of the Standing Committee on Government Operations on Bill C–58, an act to amend the Public Service Staff Relations Act and the Royal Canadian Mounted Police Act, without amendment.

* * *

PETITIONS

JUSTICE

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, I rise before the House once again to present the 16th petition in this course of action undertaken on behalf of constituents who wish to halt the early release from prison of Robert Paul Thompson. April 11, 1995 is the date set for the parole hearing.

The petitioners I represent are concerned about making the streets safer for our citizens. They are opposed to the current practice of early release of violent offenders prior to serving the full extent of their sentences.

The petitioners pray that our streets will be made safer for law–abiding citizens and the families of the victims of convicted murderers.

HUMAN RIGHTS

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, pursuant to Standing Order 36, I rise today to present a petition on behalf of 30 individuals, nine of whom are from the constituency of Wild Rose. The 21 remaining individuals come from throughout Alberta.

The petition states: "Your petitioners call upon Parliament to act quickly to amend the Canadian Human Rights Act to prohibit discrimination on the basis of sexual orientation and to adopt all necessary measures to recognize the fully equality of same sex relationships in federal law."

I present this today on their behalf. I am opposed to this idea.

INCOME TAX

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, pursuant to Standing Order 36, I have several petitions to present today, two of which relate to tax increases and the opposition of my constituents to any move by the government to increase taxes.

Altogether I have 48 sheets of names opposing tax increases. I heartily concur.

HUMAN RIGHTS

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, I am also pleased to present a petition on behalf of constituents who are opposed to the extension of same–sex benefits. I am pleased to offer the petition with my complete support.

• (1505)

[*Translation*]

RETIREMENT AGE

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, I would like to present a first petition on behalf of 262 residents of my

riding of Bourassa and the greater Montreal area who object to retirement age being moved from 65 to 67.

This petition was signed by many seniors from Montréal–Nord and a large number of FTQ workers. These petitioners argue that every Canadian citizen contributes to superannuation and therefore has a legitimate claim to a pension upon reaching 65 years of age, which is already a lot.

REGISTERED RETIREMENT SAVINGS PLANS

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, I would also like to present a second petition. It concerns registered retirement savings plans. The 126 petitioners object to the proposed new tax on RRSPs, as such plans are the only way for Canadians to secure a comfortable retirement. Just hours before the Minister of Finance tables his budget, this proposed tax could jeopardize the financial security of thousands of Canadians and Quebecers. Needless to say I strongly support both petitions.

[*English*]

THE FAMILY

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, pursuant to Standing Order 36, I am presenting several petitions today on behalf of my constituents of Prince George—Peace River.

The first petition requests that Parliament oppose any legislation that would directly or indirectly redefine family, including the provision of marriage and family benefits to those who are not family as defined in the petition.

JUSTICE

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, the second petition requests that Parliament provide a remedy, to intervene and bring forward a national public registry of past and present sexual offenders to better protect the children of our communities.

RIGHTS OF THE UNBORN

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, the third petition prays that Parliament amend the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

ASSISTED SUICIDE

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, the next petition requests that current laws regarding assisted suicide be enforced and no changes be made to the law which would sanction or allow suicide or euthanasia.

HUMAN RIGHTS

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, the last petition I have to present today asks Parliament not to indicate societal approval of same sex relationships or of homosexuality by amending legislation to include the undefined phrase sexual orientation.

INCOME TAX

Mr. Jag Bhaduria (Markham—Whitchurch—Stouffville, Ind. Lib.): Mr. Speaker, I wish to table two petitions signed by the constituents of Markham—Whitchurch—Stouffville.

The petitioners call on the government to declare 1995 as a tax freeze year to show leadership to all Canadians, not to increase the tax burden on middle and low income working Canadians and to reduce the deficit by cutting wastage and by reducing the overall expenses of every government department by at least 5 per cent.

HUMAN RIGHTS

Mr. Jim Jordan (Leeds—Grenville, Lib.): Mr. Speaker, I have three petitions. Two are on the same topic, asking that the privileges which society accords to heterosexual couples not be extended to same sex relationships.

I personally am pleased to support those petitioners.

JUSTICE

Mr. Jim Jordan (Leeds—Grenville, Lib.): Mr. Speaker, the next petition may be a little redundant, but perhaps the minister can accept it as encouragement to move on. Its petitioners express concern at the recent court decision allowing extreme drunkenness as a defence against serious crime.

I also support that petition and support the minister in his efforts to look after that major problem in our legal system.

HUMAN RIGHTS

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, pursuant to Standing Order 36, it is my duty and honour to rise in the House to present a petition, duly certified by the clerk of petitions, on behalf of 50 constituents of Saanich—Gulf Islands and surrounding area.

The petitioners call on Parliament to oppose any amendments to the Canadian Human Rights Act or the Canadian Charter of Rights and Freedoms which provide for the inclusion of the phrase sexual orientation.

FIREARMS

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I have two petitions that are identical. The petitioners ask that Parliament support laws that will severely punish all violent criminals who use weapons in the commission of a crime.

Second, the petitioners support new Criminal Code firearms control provisions which recognize and protect the right of law–abiding citizens to own and use recreational firearms.

Last, the petitioners support legislation which will repeal and modify existing gun control laws which have not improved public safety or have not proven to be cost effective or have

proven to be overly complex so as to be ineffective and/or unenforceable.

• (1510)

I concur with and support these petitioners.

INCOME TAX

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, I have three petitions today. A total of 436 petitioners from the riding of Okanagan—Similkameen—Merritt call on Parliament to reduce government spending instead of increasing taxes and implement a taxpayer protection act to limit federal spending.

I concur with my petitioners.

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, I am pleased to present a petition today from my constituents in New Westminster—Burnaby.

The petitioners wish to inform the government that they are already overburdened with taxation due to high government spending. They feel that the government will increases taxes in this afternoon's budget.

Therefore they pray and request that Parliament reduce government spending instead of increasing taxes and implement a taxpayer protection act to limit federal spending.

HUMAN RIGHTS

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, I also present two other petitions on behalf of those in my riding and in the general area.

These petitioners request that Parliament amend the Canadian Human Rights Act to include sexual orientation as a basis for protection against discrimination and to fully recognize relationships based on financial and emotional dependency and same sex relationships.

INCOME TAXES

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, I have two petitions today.

The first one is signed by over 2,500 people. The citizens express concern that they are overburdened with taxation due to high government spending and that the federal government is considering tax increases in the next federal budget.

Therefore the petitioners humbly pray and request that Parliament reduce government spending instead of increasing taxes.

FIREARMS

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, my second petition is signed by 4,888 people from my riding.

The petitioners say that the control of law–abiding citizens and responsible gun owners is more than enough to ensure public safety, and the current and proposed laws criminalizing certain firearm activities are not necessary.

The petitioners humbly pray and request that Parliament support laws that will severely punish all violent criminals who use weapons in the commission of a crime, that Parliament support new Criminal Code firearms control provisions which recognize and protect the right of law–abiding citizens to own and use recreational firearms.

Finally, they request that Parliament support legislation that will repeal and modify existing gun control laws which have not improved public safety or have not proven to be cost effective.

* * *

QUESTIONS ON THE ORDER PAPER

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, I rise on a point of order. On February 20, 1995 I brought a point of order pursuant to Standing Order 39 regarding a question that I placed on the Order Paper on September 30, 1994.

The hon. member for Kingston and the Islands was gracious enough to respond to my request. He indicated that I would have the answer to my question by the end of last week. It is 150 days now since I have placed my question on the order paper with no result.

Also, with all due respect to the member for Kingston and the Islands who chastised me for not going to the Library of Parliament for the information, may I tell the hon. member that the annual reports to which he referred me are bordering on useless they are so vague.

Once again I would like to place these questions on the Order Paper for 1992 and 1993: What was the total amount of funds received by individuals and groups from the Canada Council? Who were these individuals? For what specific projects did they receive funding? How much did they receive?

[*Translation*]

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, I have a serious problem. I also placed a question on the Order Paper on October 19, 130 days ago. This question had two parts: a) and b). Finally, last Friday, after a little more than a hundred days, I received an answer to the first half of my question. You can see my problem.

I wonder if there is any hope of getting the second part of my question answered. I find this somewhat unfortunate because, frankly, the information requested in that part is simpler, shorter, yet more important to me. Can I appeal to someone to ask for some justice and get this answer?

• (1515)

Would the hon. member be so kind as to answer the question regarding federal government properties in Quebec?

The Deputy Speaker: I will recognize the hon. parliamentary secretary first on the two points of order just raised, and then to answer questions on the Order Paper.

[*English*]

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, with respect to the first point of order that was raised by the hon. member for Calgary Southeast, I indicated last week that I hoped I would have an answer by the end of the week and I am still optimistic. It obviously was not last week, but as soon as an answer is available I will provide the hon. member with an answer.

As to her allegation that reports to the Canada Council are vague, I have had occasion to look at the reports and have read them from time to time. My recollection is that there are substantial lists and no vagueness about them. They simply say who got grants. Perhaps the hon. member regards that as vague. Her question does ask who received grants. I would have thought that there was a pretty good source in those annual reports. I urge her to have a second look.

In any event, I will do my best to provide an answer for her at an early date.

With respect to the hon. member for Québec–Est, my recommendation is that he go through that box of materials I tabled in the House on Friday in response to his question.

I cannot say that I looked at all 1,200 pages before I tabled the documents, but I think he will find the answer in there. If he does not, I will take his representation as one I am prepared to raise with the minister involved. I will see if the additional information can be provided to the hon. member with dispatch.

The Deputy Speaker: I wonder if the parliamentary secretary might also make the usual observation that he does on these occasions.

Mr. Milliken: Mr. Speaker, I was so put off by all these points of order that I forgot that I do have a question to answer today. Question No. 115 will be answered today.

[*Text*]

Question No. 115—**Mr. Hermanson:**

With respect to the $4.8 million grant to build a museum of industry in the riding of Saint–Maurice, (*a*) under what program was this grant awarded, (*b*) what guidelines were followed to the awarding of such a grant, (*c*) how many permanent and part time jobs were created and (*d*) how many contracts have been awarded and to what companies and/or individuals?

Mr. Peter Milliken (Parliamentary Secretary to Leader of Government in the House of Commons, Lib.): I am informed by the department of human Resources and the Federal Office of Regional Development—Quebec, FORD–Q, as follows:

In so far as Human Resources Development Canada, HRDC, is concerned:

a) b) and c) The Centre de l'interprétation de l'industrie de Shawinigan Inc., CII, is administered by a council of community workers, comprised of a variety of citizens. The building it is operating in at the moment is owned by Hydro–Quebec. Presently funding for this building is provided by five groups: ALCAN, Stone Console–Division Belgo, pulp and paper mill, Hydro–Quebec, the city of Shawinigan and the city of Shawinigan–South.

In the last four years HRDC has been providing the centre with local employment development projects, indirect funding. The centre acts as the sponsor for these training programs.

To date Human Resources Development Canada has committed a total of $1,212,359 toward the Centre de l'interprétation de l'industrie de Shawinigan Inc.

Program	Fiscal Year	Participants	Amount
challenge	1992–1993	4	$10,152
	1993–1994	4	$10,152
	1994–1995	5	$16,086
job development	1991–1992	4	$44,206
	1992–1993	4	$52,489
	1993–1994	4	$42,900
UI section 25	1992–1993	2	$10,874
	1994–1995	2	$25,500
community development	1994–1995	*	$1,000,000
	1995–1996		
	1996–1997		

*The program is just beginning and at this time it is too early to estimate the number of people who will be employed during the next three operating years.

The guidelines followed can be found in the ED component of the employment manual, which inculdes several volumes. However, all Canada employment centres are equipped with these manuals.

In so far as the Federal Office of Regional Development—Quebec, (FORD–Q), is concerned:

a) b) and c) FORD–Q has awarded a contribution of $3.5 million to the Centre de l'interprétation de l'industrie de Shawinigan Inc., CII, under the regional development program, RDP. This CII project is eligible for assistance as a facility that will foster regional economic development and should create 300 jobs during the construction phase.

In addition, the centre will generate 40 direct jobs for its operations and 200 indirect jobs among concession holders, subcontractors and other firms in the region once it is up and running.

In the short term the centre will stimulate a variety of other tourism investments, particularly in the accommodation sector, in addition to helping to consolidate regional economic infrastructure. As well, it will contribute to preserving regional industrial heritage.

d) The responsibility for the different contracts lies with CII.

[*English*]

The Deputy Speaker: The questions as enumerated by the parliamentary secretary have been answered.

Mr. Milliken: Mr. Speaker, I ask that the remaining questions be allowed to stand.

The Deputy Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

FIREARMS ACT

The House resumed consideration of the motion that Bill C–68, an act respecting firearms and other weapons, be read the second time and referred to a committee.

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I thought they were going to continue with questions from before question period. Is that correct?

The Deputy Speaker: I am sorry, I missed the question because I was speaking with the clerk.

Mr. Breitkreuz (Yorkton—Melville): Mr. Speaker, I was referring to the procedure in which we were going to complete the questions that occurred before question period, before debate ceased. Are we going to continue with debate?

The Deputy Speaker: This is continuing with debate because the secretary of state has not returned to the Chamber.

Mr. Breitkreuz (Yorkton—Melville): Mr. Speaker, a little over a year ago the Minister of Justice was quoted in a number of newspapers as saying that he believed that only the police and military should have guns.

We have been through Bill C–68 and it is clear to me and will soon be clear to all Canadians that the minister has taken the first step toward achieving this personal objective.

After reading this legislation it is also clear that the Minister of Justice and his cabinet colleagues have confused gun control with crime control. Anyone who studies this issue for more than a couple of hours will realize that there is no connection between controlling the legal use of guns by law–abiding gun owners and reducing crime.

The Minister of Justice cannot tell us specifically how controlling guns and registering guns will reduce crime, and the Bloc has made that similar observation.

The minister keeps saying that chiefs of police have asked for it. The minister cannot hide behind that answer forever. Sooner or later he has to be responsible for answering his own questions. He has to defend his legislation with reasoned arguments and not expect others outside this House to come to his rescue.

• (1520)

If I start to sound angry during my remarks it is because not only am I expressing my own dissatisfaction, disappointment and disgust with the Liberal government's costly, intrusive, bureaucratic and ineffective legislation, but I am also expressing the outrage I read in the more than 1,000 letters I have received and the outrage that I hear in the hundreds of phone calls we receive, and the outrage I hear when I walk the streets of the communities in my constituency, and the absolute outrage I hear when I attend rally after rally of responsible, law–abiding citizens, whether in Saskatchewan, Newfoundland, Alberta or Nova Scotia. The outrage that these people express to me wherever I go is something this government must consider.

I support some of the provisions in the government's proposals calling for tougher sanctions for violent criminals and its proposed attempts to control the smuggling of firearms. I support some of these measures because they will really help control crime. Laws do not make people good but they do help to restrain evil.

On the other hand, because there is no evidence or convincing argument to show that public safety will be improved I will oppose ineffective proposals to register rifles and shotguns and the banning of firearms or any measures which would further restrict the ownership of handguns, scary looking guns, semi–automatic rifles, crossbows, and the banning of firearms or any measures which would further restrict the ownership of these, even replica toy guns.

If the Liberal Party can demonstrate how registration of all firearms is the most cost effective way of improving public safety, reducing violent crime and saving the most lives I and most Canadians will support the minister's proposals if he can show that they are the most cost effective method. This he has not done. He fails to answer this challenge and therefore we must oppose this legislation.

I repeat my personal position. I support cost effective gun controls which improve public safety and reduce the criminal use of firearms and if elected I will work to repeal ineffective gun controls which do not meet these objectives.

Another Reform principle from our party constitution says that it is the duty of all members of Parliament to their constituents that should supersede their obligation to their political parties. Reform MPs are duty bound to represent their constituents' wishes on this issue. I only hope that the Liberal government has the courage to let their members of Parliament do the same.

If the Liberal Party would allow a free vote on this bill I think we would really see whether there is broad public support for this. We would see whether that is true, as the minister claims.

I think it would prove that the Liberal Party believes in true democracy between elections as well as during them. I wish it would come clean on this issue and allow that free vote to take place.

Whether a Canadian is a gun owner or not here are some principles on which this legislation should be judged. I encourage every voter to inform themselves, to judge this legislation against their own personal beliefs, not what the government, not what the media, not what the politicians are telling them. This is one nasty piece of legislation. It will affect not only our lives but also the lives of our children and our grandchildren.

The Minister of Justice is right, the legislation is about the kind of country we want to live in. Canadians owe it to themselves and the next generation to get it right. Their safety, the safety of their families, their friends, their homes and their properties is at stake.

If Canadians believe in less government and less bureaucracy then they will not support this gun control bill. If Canadians believe in less government spending then they will not support this bill. If Canadians believe in lower taxes, they will not support this gun control bill. If Canadians believe in personal freedom and personal responsibility, then they will not support this gun control legislation. If Canadians believe in every citizen's right to private property, then they will definitely not support this gun control legislation.

• (1525)

If Canadians believe in true equality and that the law should be applied equally regardless of their race or where they live, then they will not like what they read in this gun control bill. If Canadians believe in every citizen's constitutional right to life, liberty and security of the person, then they will oppose this gun control bill with every ounce of energy they have.

If Canadians believe in everyone's right and responsibility to defend themselves, their family, their property and their home, as described in the Criminal Code of Canada, then they will not like what they read in this gun control bill. If Canadians believe the federal government should not interfere in areas of provincial jurisdiction, then they will not support this gun control bill.

A recent survey conducted by Simon Fraser University learned that support for the Liberal Party's firearm registration system drops significantly as the respondents' knowledge of existing gun control laws increases and the full cost of the measures is understood.

In his attempts to confuse the issue of gun control with the issue of crime control, the minister has included some things in his legislation which I support. I maintain that if the Minister of Justice is really interested in public safety he will divide this bill into two parts. Part one would be crime control and part two would be gun control. Even though there are some monumental flaws with the crime control provisions of the bill, I think we could fix those and ensure easy passage through the House so that the police could use these tools to put real criminals behind bars where they should be.

Here is a list of measures in the bill which I think could be modified and amended and which I could support because they truly concern crime. I would support the four–year mandatory minimum sentence for the 10 violent offences committed with a firearm as long as the word firearm was replaced with the word weapon. More people are murdered with knives and other weapons than with guns. I think any criminal who uses a weapon in the commission of a crime should be subject to the same mandatory jail term.

I support using section 85 of the Criminal Code effectively, but again this mandatory sentencing provision should be extended to any weapon used in a crime, not just firearms.

I support the lifetime prohibition from possessing a restricted weapon for the conviction of violent crimes. I also support the inclusion of replica or imitation firearms under section 85 of the Criminal Code. I support the new offences for large scale smuggling and trafficking of firearms. I support the new offences for possessing stolen or smuggled firearms of a one–year minimum jail sentence. I support adding firearms trafficking to the list of enterprise crime offences.

I oppose the banning of 553,000 handguns. I oppose the banning of 19,000 restricted firearms. However, I support the proposed firearms possession certificate, in principle anyway. I support the offence for failing to report a lost or stolen firearm. I support the 10–year prohibition on possession of firearms to those convicted of serious firearms offences. I support the prohibition on possession of firearms for those convicted of stalking and drug offences. I support the tighter border controls, the inspection procedures by Canada customs. Also, I support the forfeiture of vehicles used in smuggling contraband and the proceeds of smuggling activities. I support the requirement for import–export permits for firearms moving across the border for commercial use.

I also support the requirement to record the entry or exit of firearms to or from Canada by tourists and outfitters. I add that these people bring hundreds of millions of dollars into our country, creating thousands of jobs and tourists should not be needlessly harassed at our borders.

I support the provision of minor's permits for persons between 12 and 18 to acquire firearms. I support the extension of authority to approve firearm safety courses to the provinces.

I also support the creation of a separate safety course for handgun users and I support the use of valuable police time and scarce tax revenues on cost effective crime control.

• (1530)

This is a list of the things I support. Because gun control measures will do next to nothing to deter real criminals from obtaining or using firearms, and because these measures are not a cost effective way of improving public safety, I will vote against the bill unless they are changed.

Here is a list of reasons why I am opposed to the gun control legislation. I oppose the mandatory registration of all rifles and shotguns and the provision that would make failing to register them a criminal offence. This will do nothing but make criminals out of law–abiding people.

Here are a few reasons why I oppose mandatory registration of all rifles and shotguns. It will cost hundreds of millions of dollars. It is not a cost effective way of improving public safety or saving lives. It will not help police investigate and prosecute violent criminals. It will not alter police procedures for dealing with domestic disputes. It will not reduce the use of firearms in violent crime.

It will keep the police off the street and in the office, not where they should be. It will require more government bureaucracy, not less. It will require an increase in taxes in the form of registration fees. It will also require other members of society to pay those taxes because the initial registration fees will be waived. It will target law–abiding responsible gun owners, not real criminals. It will help trace firearms but tracing will serve no real useful purpose.

Gun smugglers can already be identified without a registration system. Handgun registration has been in effect since 1934 and has not reduced handgun crime. Registration has been tried and failed in Australia and New Zealand. Hundreds of millions could save more lives if spent elsewhere.

It will have a negative effect on a billion dollar economy. It will undermine respect for the law. I cannot emphasize this more. There are jokes going around. There are ads in the newspapers in my province showing people how to hide their guns. They openly advocate that this law will not be complied with.

We have a huge problem when we put in place a law that everyone regards as being useless. It undermines respect for the law, and we must take that into consideration. We need to maintain that respect. People know this will do nothing to make society safer. In fact it will do the exact opposite. I do not have time today to go into them but there are very valid reasons for opposing the legislation because it will actually increase the risk for most people.

I am particularly opposed to the extreme penalties for persons failing to register their rifles and shotguns: a one–year mandatory jail term and up to 10 years in jail if one fails to fill out that little card the minister says is so easy. Denis Lortie killed three people and only spent 10 years in jail. Where is the justice in this legislation? It defies common sense.

I also oppose the added tax burden on law–abiding citizens, the responsible gun owners, through registration fees, permit fees, and renewal fees. Like I said before, I oppose the banning of legally owned handguns, scary looking semi–automatic rifles and so on, and the banning of all replica toy guns. I oppose those kinds of measures.

I oppose the restrictions on crossbows, the banning of one–hand crossbows and the additional restrictions on air guns. I oppose the prohibition and confiscation of guns without fair, just and timely compensation. I oppose the confiscation of thousands of firearms without compensation when the owner dies.

I oppose the use it or lose it provision which requires law–abiding handgun owners to re–establish their reason for owning a handgun every five years. I oppose the proposed controls on the purchase of ammunition and the additional and unnecessary controls on legitimate gun collectors. I oppose the prohibition of entire households from having firearms because of the actions of a single resident.

• (1535)

I oppose the exemption of certain Canadian citizens from firearms prohibition orders. All Canadians should be treated equally under the law and in this case under this law. I oppose the requirement of an import–export permit for bringing a personal use firearm into Canada.

I oppose the expanded use of orders in council to restrict or prohibit firearms. I oppose the different application of the firearms laws for remote and aboriginal communities. Canadians should be treated equally regardless of where they live, regardless of their race, and regardless of their occupation. I oppose the waste of valuable police time and scarce tax revenue on useless, ineffective gun controls.

I have 28 amendments here. At this time I will not read them all out. I have gone through a lot of things already. I think we need to have a debate because there are many things that need to be addressed. I will hold this up at a later date.

In closing, I make five recommendations to the government. I recommend holding separate votes for crime control provisions and gun control provisions. We should separate those.

I recommend early passage of crime control provisions with consideration of Reform amendments to really get tough on violent criminals.

I recommend a free vote on all gun control provisions in the bill, especially the sections relating to implementation of the universal registration system.

I recommend a delay in implementation of universal registration systems to see if increased sanctions and new criminal offences, that is the crime controls proposed by the Liberal government and Reform, are effective in reducing violent crime.

I recommend the inclusion of a sunset clause amendment that would automatically repeal any gun control provision that is not effective in reducing violent crime or approving public safety.

Finally, I have a message for seven million gun owners in Canada. They should not give up. The fight for the kind of Canada we all want to live in has begun in earnest. I encourage them to write letters to both federal and provincial politicians. They should send petitions to their MPs, write letters to the editor, phone in to hotline radio and television shows, get involved in a political party that best represents their views and help to organize and attend rallies. Whatever you do—

The Deputy Speaker: Order, please. The member may have forgotten that all his remarks are supposed to go to whoever is in the Chair. I would invite him to do so for the remainder of his talk.

Mr. Breitkreuz (Yorkton—Melville): Mr. Speaker, my apologies. I get involved and forget.

My advice is not to break the law of the land but to work to change it by all legal means possible. Bad laws can be repealed if a truly democratic party is in power. If we have the support of the majority of Canadians we can do it.

I fear a government that will not listen to the people a lot more than I fear a law–abiding citizen with a gun. In conclusion I would like to move the following motion:

> That all the words after the word "that" be deleted and the following substituted therefor:
>
> This House decline to give second reading to Bill C–68, an act respecting firearms and other weapons, because the principle of establishing a system for licensing and registration of all firearms and the principle of creating a variety of offences are two unrelated issues that should be addressed separately.

I submit this motion to the House.

The Deputy Speaker: The Chair will reserve on the motion while it is being brought forward. We will deal with questions and comments while the motion is being looked at.

Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development, Lib.):

[Editor's Note: Member spoke in Inuktitut.]

[*English*]

I have a few comments before asking a question of the member opposite who just spoke. He made some reference to aboriginal people being treated exactly the same as the rest of Canadians, with which I agree on certain issues. However the hon. member will understand that the aboriginal people in the country are the only people who hunt as a way of life. They have always hunted.

• (1540)

I would like to quote Voltaire who said: "Prejudice is what fools will choose for reason". That is basically what the hon. member is saying in refusing to recognize the fact that we have always been here, longer than anybody else, and we have always hunted. We still hunt to this day. When people arrived after us we helped them to settle in.

As an aboriginal person I have some very strong feelings about the issue of hunting and about the issue of gun control. I think by and large Canadian people as a whole support some form of gun control. I believe, unlike the hon. member, that the majority of Canadians support the gun control measures being put forward by the Minister of Justice.

As an aboriginal person I view guns and rifles as having one use other than military and law enforcement, that is hunting. I have absolutely no use for handguns. Nobody can convince me that we need handguns. Basically they are used to kill people. Nobody can convince me that there is a useful reason for automatics. We are not going to hunt with automatics. Some semi–automatics may be used for hunting, but by and large most semi–automatics should not be used for hunting. If persons are using semi–automatics for hunting it means they do not have enough confidence in themselves to use a bolt action rifle which shoots one bullet at a time and then they have to reload.

It has been proven through various polls that most Canadians support some form of gun control. I read in the paper some time ago that a member of the Reform Party conducted a poll and found that 67 per cent of his constituents supported the gun control measures being put forward today. However that hon. member would still vote against gun control.

Reform members have been shouting from the rooftops that theirs is a grassroots organization. They find that the grassroots support gun control but they will not listen to the grassroots; they will vote their conscience even against the grassroots people. That seems to be hypocrisy if we are talking about democracy and grassroots. The majority of the grassroots people say they want gun control measures put in place but Reform members do not think that way.

Reform Party members should come clean and decide whether they will vote in favour of what the majority of Canadians want

or vote for their individual interests rather than the collective interests of the people of Canada.

• (1545)

As an aboriginal person I have some concerns. As a member representing per capita probably the largest number of gun owners, I have some concerns. I will convey them to the Minister of Justice to ensure that they are heard.

I think the people in my riding of Nunatsiaq are ready to support the Minister of Justice to ensure that Canada is a safer place to live. Canada can be made a safer place to live.

I suggest that hon. members listen to their constituents. If the majority say to support the gun control measures then they should listen to them.

Mr. Breitkreuz (Yorkton—Melville): Mr. Speaker, I strongly object to the allegations made by the hon. member with regard to prejudice. I would ask that he withdraw them. Because we say all Canadians should be treated equally, I do not think that is prejudice. I would ask him to withdraw that.

The Deputy Speaker: The member is welcome to say that as a response.

Mr. Anawak: Mr. Speaker, I did not say that the member was prejudiced. I said that the attitude put out by some members is prejudicial. When I quoted Voltaire that prejudice is what fools use for reason, an awful lot of things can be hidden under some words. I did not say that the member was prejudiced. If I did not say that the member was prejudiced, then I have no reason to withdraw my comments.

Mr. Breitkreuz (Yorkton—Melville): Mr. Speaker, I really do not want to pursue this any further.

Is the hon. member going to vote for or against this legislation? Has he consulted his constituents as we have? We have done surveys. We found that initially, over 80 per cent of the people surveyed knew virtually nothing about this legislation. As they became more informed, opposition to this bill rose to as high as 90 per cent.

They realized how this was going to put society more at risk. They realized how this was going to give criminals access to firearms that they did not previously have. They realized how this was going to tie up the police in some useless paperwork. They realized how this was going to be a tax imposition upon them, how it would destroy more jobs and would put more young people out on the streets who probably would get into more trouble and put us more at risk.

They began to see that this was a useless bureaucratic political manoeuvre to try to put something across on the Canadian people. It would make them think the government was doing something to make society safer when in fact it is not.

As the member quotes these polls, he had better go back and find out exactly what he is doing. A very narrow view is being expressed here.

The hon. member just said that only some people of certain race subsistence hunt. That is not true. It is absolutely false. Many people in this country appreciate nature. They use handguns in many ways besides killing people. The allegation he made that guns are only for killing people is absolutely ridiculous. I do not know where this member is coming from. There are many other uses for guns. I do not accept that argument.

The member made many other statements that were not true. I ask the Canadian public to really look at this question in depth. Examine what this government has put forward. It is a convoluted complex bill and cannot be supported in its present form.

The Deputy Speaker: The time for questions and answers has expired. The member has not had a ruling on the validity of his motion. It will be provided as quickly as it can. It is being studied very carefully.

Mrs. Carolyn Parrish (Mississauga West, Lib.): Mr. Speaker, I will be sharing my time with the hon. member for Brandon—Souris.

• (1550)

I rise today to speak to Bill C–68, legislation which addresses the fundamental right of all Canadians to a safe, non–violent, non–threatening society. I am speaking in support of legislative reforms carefully crafted and presented by the Minister of Justice involving amendments to the Criminal Code and the creation of a new firearms act.

For many years Canadians have watched in horror the increasing use of handguns, assault weapons and rifles in the commission of crimes. In recent years our North American society has become increasingly immune to daily doses of violence, death and injury. Television newscasts and videos feed Canadian viewers a steady stream of carnage. Some of us are shocked; many have become numb as we grow accustomed to the daily onslaught.

In the United States thousands of people are killed each year by handguns. Hundreds of thousands are injured and many are permanently disabled. Yet Americans strangely cling to the notion of a frontier mentality and the right to settle arguments with a gun. A new handgun is produced every 20 seconds in the United States to feed a voracious demand.

Our society is awash in American imagery and attitudes. The U.S. media has slowly changed our long established tradition of law, order and peaceful tolerance. The locked doors and barred windows of the United States have crept north as has the American fascination with handguns.

Thirty years ago a domestic dispute in the city of Toronto would rarely if ever involve a handgun. Now police approach every situation as potentially lethal. Thirty years ago police officers did not need SWAT teams, bullet–proof vests or increasingly powerful service revolvers against suspects who are routinely better equipped with the latest weaponry. Just this past week metro Toronto police received permission to carry shotguns inside their cruisers instead of in the trunks of their cars.

There is no doubt whatsoever that our society is becoming more violent than Canadians will tolerate. But how are we different from our friends to the south? What makes us want to take charge of this situation and return order to Canadian streets?

Fortunately, the vast majority of Canadians continue to abhor violence in all its forms. We are still shockable. We can still be touched. We are still willing to fight back. We are not ready to install metal detectors in our schools or huddle behind locked gates and barred windows after dark. From across Canada, this government and every member of this House has heard the message: Get the guns off the streets.

Ninety–six per cent of Canadians support increased penalties for the use of a firearm in the commission of a crime. This bill addresses those Canadians. Ninety per cent favour the registration of all firearms. This bill addresses those Canadians. Fully 70 per cent want tighter gun control laws, restricted access to ammunition and a complete ban on civilian ownership of handguns. This legislation addresses those Canadians.

The issue of violence affects each of us in a profound way. My late father, Ed Janozeski, was a sharpshooter, a gun instructor and a dedicated metro Toronto police officer for 37 years. He watched the use of firearms increase, especially in his last years on the force. He grew increasingly frustrated as legislators seemed unwilling to do anything about it.

Each member of this House knows of an instance where friends, family or acquaintances have been devastated by the misuse of firearms. Every year 1,400 Canadians die as a result of gunshot wounds and another 1,200 are injured. Sadly, the majority are suicides, impulsive acts committed by those who have easy access to guns. Fifty women are killed each year, shot in their own homes by a family member.

Surprisingly, homicide rates from firearms are 50 per cent higher in rural Canada. One hundred persons die accidentally each year while hunting or otherwise handling a firearm. Some of these people are children.

Three million Canadians own seven million firearms, 1.2 million in the restricted category. Vast numbers of illegal, smuggled and unregistered guns add to this arsenal. Between 1974 and 1993, 65,000 firearms were reported missing, lost or stolen and have never been recovered.

Even with all legal weapons registered, criminals will still find handguns. Accidents and suicides will still occur. Are these sensible, rational arguments for doing nothing?

Acceptance of the status quo is acceptance of defeat. The enormity of the task cannot freeze us into inaction. If we start today the net result over time will be significantly fewer handguns in private hands. Those handguns will be in the safer hands of legitimate sport shooters, hunters and collectors.

• (1555)

A highly efficient computerized system will distinguish legal from illegal firearms and will track them. Police officers when approaching a reported domestic dispute will know if there are weapons in the house. Responsible safe storage by registered gun owners will become a necessity.

Will violent crime cease immediately? No one is foolish enough to believe that. Criminals will not register their firearms or produce a licence to purchase ammunition. But the underground market fed to a great extent by smuggled and stolen firearms will begin to dry up. Registration will permit tracking of imported guns and seizure of unregistered ones. Registration will also encourage safe storage and the availability of fewer stolen firearms.

Through a series of new hard hitting penalties this government is also saying loudly and clearly: Use a weapon and you will face the stiffest penalties in the western world, a minimum of four years in jail for the use of a firearm in any of 10 specific offences.

Police will have a law with teeth enabling them to lock up criminals in possession of stolen firearms before a crime occurs. Those attempting to use replicas to intimidate and terrorize will face a minimum one year sentence.

Our border, the longest unprotected border in the world, will no longer be an easy entry for those trafficking in firearms. Now you will face 10 years in jail and forfeit all vehicles used in the commission of this crime.

The new legislation will outlaw 60 per cent of all handguns currently available for purchase in Canada, all assault–type military and paramilitary weapons, many of which are designed for concealment and terrorist activities. They have absolutely no place in Canadian society.

To acquire and keep handguns, owners will have to provide one of only two valid reasons for doing so: to add to a legitimate collection, or to use in sport or target shooting. This would have to be justified every five years. The single most objectionable requirement in the eyes of the gun lobby is simple: all firearms and all owners of firearms will have to be registered. Contrary to popular myth, the registration of weapons is not new to Canada.

The first nationwide permit system was introduced in 1892, the registration of handguns in 1932.

Of 1.2 million handguns registered to 560,000 Canadians, only 10 per cent have applied for a permit which allows for transportation of a handgun to and from a shooting club. Canadians are apparently more interested in owning than in using these firearms.

The registration of 5.8 million firearms will be phased in over seven years. Frankly, the tired old argument that registration failed in New Zealand does not hold. Modern computer technology will make this task efficient, simple and cost effective. We routinely register automobiles, mortgages, driver's licences, building permits and dogs. To argue that a national registration system would be onerous is to ignore the electronic advancement of our generation.

Registration should not pose any threat to legitimate, responsible gun owners. In fact, they should welcome it. Only the most paranoid of individuals have expressed the fear that big brother is watching.

In reality, orderly registration will deter theft and smuggling and will assist police. Ultimately, registration will bring the responsible gun owner into a partnership with the enforcement agencies. It will be a partnership based on trust, competence, access to information and accountability.

I know much has been said of the opposition to this legislation. Change is not always easy to accept. We live in an increasingly hostile and violent society. We cannot abandon it to the spiral of violence that will fundamentally change Canada for generations to come. We must take the strongest and most effective measures possible to respond to those of us who want a peaceful, safe and tolerant society.

My colleague from across the floor, the hon. member for Calgary Centre recently said in the House that if you identify your problem correctly, 60 per cent of your solution is before you. I believe Canadians have identified the problem. This legislation is an effective and necessary beginning, moving us well on the way to a 100 per cent solution.

It is a great honour for me to speak today. I have had a rather motley political career because I have always been labelled an idealist. Sometimes things happen in politics because it is doable rather than because it is right. I am very proud of our minister and to be part of this Liberal government because I believe today we are doing what is right.

• (1600)

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, some moments ago the House received a motion asking that the bill not be read the second time.

I want to submit very briefly that it is my feeling, and I am sure that of many hon. members, that this motion is out of order because it does not state that it is against the principle of the bill, nor that the principle of the bill is defective. It does not address that issue.

It merely addresses the fact that because the bill deals with two separate issues we should not deal with it at that time. If the bill were dealing with two separate issues, the argument would be that the bill is omnibus or omnibus like, if you will, and that the Chair has consistently dealt with that issue in the past by agreeing that such legislation was in order. In any case, this bill would not be omnibus even if that argument were made.

The argument here has to do with two conflicting principles being in the bill and that being a justification for the substantive motion brought to the attention of the Chair. Those are not, in my submission, grounds that would enable a member to make the kind of motion which was brought to the floor of the House this afternoon.

Therefore I would ask the Chair to rule at the earliest opportunity that this particular motion is out of order.

The Deputy Speaker: The Chair would appreciate hearing all representations on the validity of the motion and therefore I would call on the Reform Party to make submissions on the issue.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, it was with a great deal of thought and consideration and also with a great deal of consultation with the legal counsel of the House that we did present this amendment to the motion being debated before us today. Very simply the wording is:

> That all the words after the word "that" be deleted and the following substituted therefor:
>
> This House decline to give second reading to Bill C-68, an act respecting firearms and other weapons, because the principle of establishing a system for licensing and registration of all firearms and the principle of creating a variety of offences are two unrelated issues that should be addressed separately.

This is a reasoned amendment and we have been informed that according to the legislative counsel of this House it is in order. It is a reasoned amendment and therefore I would put to you, Mr. Speaker, that the amendment be allowed to stand.

[*Translation*]

The Deputy Speaker: Does a member of the official opposition wish to be heard. I have been given indications that no one wishes to do so. Therefore, this concludes the debate on this issue.

[*English*]

The Chair will reserve on that matter and will bring back a decision as quickly as a reasoned conclusion can be brought back to the House.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, I am interested in some of the comments by the member for Mississauga West. Certainly having been raised in a family in which the father was a police officer would give her some insight into the concerns police officers express when it comes to criminal activity. Seeing if nothing else the breakdown in our laws and the effectiveness of what a police officer can or cannot do any more is a story in itself.

I am also interested in the comments relating to the smuggled weapons and the use of illegal weapons, that the illegal gun market would literally dry up once we have a good registration system in place and some supposed criminal sections that would deal with that.

I do not believe the member has ever been over to the Fort Erie border crossing to look at the extent of what we have as security at the border crossing. There is a joke among the customs officers and the people who live in that area. If a boat comes across from the American side and it rides low in the water, it is full of alcohol. If it rides halfway down in the water, then it is full of guns. If it rides high in the water, then there are drugs in that particular boat. When it gets over to the other side to the Canadian shore there is no one there to stop it to see what really is in the boat because our border security is at a minimum.

• (1605)

Resources at the front line have been cut back to the nth degree. Police departments right across the country are suffering now because of a lack of being able to hire the adequate number of police officers to look at it.

How will the illegal gun market dry up through a registration system when the front line cannot even stop the smuggling problem in this country, which is way out of hand and our police departments do not even have a finger on it? Even if they did they could not do anything about it.

Mrs. Parrish: Mr. Speaker, I would like to thank the hon. member opposite and I am sorry that customs officers joke about such serious things as gun smuggling, drug smuggling and alcohol smuggling.

I do not think smuggling is a joking matter and I do not wish to correct the hon. member opposite but I did not say it would dry it up literally and immediately. I think it is a step in the right direction.

I think if we do not begin somewhere we might as well all throw our hands up and say open the borders and let everybody bring whatever they want in.

The President of the United States visited here on Thursday and congratulated us on an amazing start in the direction of cleaning up illegal guns. I am very proud to be part of a team that is doing this.

My father on his deathbed talked about guns. He talked about the danger. He came home one night very sad because a rookie cop had gone up the stairs ahead of him to a domestic dispute and a shotgun blast had come through the door. It did not kill him. It knocked his eye right out. My father has always believed that if you register guns you can at least make the people who have lost them or have allowed them to be stolen out of their homes responsible for that loss.

Again, I believe this is a beginning. No one has the perfect solution. I will reiterate what I said. We cannot be frozen into inactivity by the overwhelming concern of the problem.

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, I was impressed by what the member had to say and the concerns she expressed for a safer society. I think that is what we are all looking for. I wonder if the member would address the possibility of changing existing laws that allow violent offenders to enter society after serving only two–thirds of their penalty. That is something we could do right now.

Melanie Carpenter, for all intents and purposes, was murdered by someone who was released because of a mandatory requirement included within the statute and the laws that this Parliament has created. We can change that.

I wonder if the member would be willing to support that kind of legal initiative in this house that would prevent violent offenders from being automatically released into society before they expend their full sentence within prison to at least protect society to that extent.

Mrs. Parrish: Mr. Speaker, I always find it amusing that Reform members opposite tend to turn the conversation away from what we are trying to deal with and into their favourite locations.

I believe that violent criminals in this society will be dealt with in a reasoned and planned fashion by the minister, as he has done with the gun legislation. I think you cannot look at one incident or one piece of legislation and keep it separate from others.

I have absolute faith in the Minister of Justice that in the course of his term he will address all of your concerns and all of my concerns.

Mr. Glen McKinnon (Brandon—Souris, Lib.): Mr. Speaker, I thank you and for that warm applause across the way. My friend and colleague from Crowfoot was a police officer at the time of my younger years, still living in the area where he was serving. I respect him very much since those days and even today.

It is an honour to make the point that I am speaking on this bill with the desire to pursue a fair and equitable bill that permits reasonable and equitable use of firearms in our society.

• (1610)

Having said that, I do feel that the bill the minister has presented goes a long way in achieving those types of social goals. Therefore, I deem it an honour to rise to speak on this bill respecting the use of firearms and other weapons.

The extended discussions and debates have waxed and waned throughout this country. Western Canada is certainly no exception. The first meeting I attended was with the minister and the executives of most of Manitoba's firearm associations coming together in Winnipeg in July, 1994.

In a short time thereafter I had what I cannot say was necessarily a pleasure. I have never been yelled at by 2,000 people at the same time before, so it was a unique experience. There was a rally in the Keystone centre in Brandon at which time the organizations in favour of not producing any more firearm controls brought together a number of people and we heard their concerns. Fundamentally they were persons who were trap shooters, recreational pistol shooters, but in the main they were ordinary hunting members of the public just like some members in this House.

After attending these forums I visited several clubs and ranges. I continued to meet with concerned individuals on an individual basis as well as in small groups. Any new regulations concerning firearms have deep cultural implications, gender bias and some rural–urban division of support. As well, many citizens did not wish to see our nation reach a situation where they feel we must have access to a firearm in order to feel safe.

We have had some information coming forward. I will quote a couple of excerpts. One is from the *Western Producer*, January 26. It was entitled "Most women for gun control: pollster".

The Saskatchewan Women's Agricultural Network had an annual meeting on January 21 and debated a resolution to oppose gun control. The resolution was not passed. The director, Elaine Kacsmar, said they were not totally against the registration of guns but that they were against having to pay an enormous amount of money to register guns.

The second point I would like to raise is that the now famous Alberta poll done by the present Government of Alberta is registered in opposition to gun control. It in turn did not believe the federal polling that was done in that province. I am sure the member for Yorkton—Melville was possibly thinking of these results when he made his remarks earlier.

On February 2 the data seemed to indicate in Alberta that there were different pockets and regions but rural Alberta was in some regions as high as 72 per cent in favour of registry. Central Alberta was about 50 per cent; we will even drop a couple to 48 per cent. Northern Alberta was 56 per cent. Overall the data would indicate at that snapshot of time that over 65 per cent were in favour.

I have enjoyed many open and frank discussions with the Minister of Justice and my caucus colleagues as well on the entire issue of the firearms proposals. Throughout these caucus discussions, some formal, some not so formal, at no point was I ordered, threatened or instructed to vote in favour of or against this bill.

Unquestionably I will be voting in favour because I sense it does show some movement to allow for a middle of the road position for all members of society.

• (1615)

I believe that our caucuses, regional and national, provided every member on our side of the House every opportunity to contribute and develop those components that were of concern to them.

Bill C–68 reflects the November 30 action plan but has been changed to accommodate some legitimate handgun owners' concerns. Like all other owners of prohibited firearms, individuals who possessed handguns on or before February 14, 1995 will be able to buy and sell in the same class those firearms which are now listed as prohibited.

Owners will be able to use the handguns for the purpose of which they were originally obtained whether target shooting or collecting. Might I comment that to the very avid target shooters in my riding that is the same as golf is to me. They fire off 300 rounds in a very controlled, safe environment. They tell me that they feel great. I wish them well and I hope it continues. I am sure it will.

The bill is the outcome of consultations with many individuals, groups, organizations across Canada. It is intensive work involving the justice department, Revenue Canada and the Department of the Solicitor General, among others.

Owning a firearm is a privilege. It is not a right. As such, it is subject to regulation by government because firearms can be dangerous and it is only sensible to have some degree of regulation. People can lose a privilege. In fact I am informed that 40,000 Canadians for sundry reasons have lost the right to own firearms, about 700 in Manitoba and about the same number in Saskatchewan. Of course, it will vary with the level of population from coast to coast.

It has been my desire to see that reasonable guidelines are put in place where hunters will continue to hunt, recreational and competitive programming will continue to produce world class

competitors and collectors will be able to trade, buy or sell with reasonable guidelines in place.

In the end the thrust of this bill is to achieve a safer Canadian society. I hope that my hon. colleagues will bear with me while I explain the background from which I speak today.

My twin brother and I, who I am sure my colleague across the way will remember, grew up on a farm in central Manitoba. For whatever the reasons my parents saw no need to own firearms.

However rummaging in the attic one day—of course it is my twin brother who did all these nasty things—we located two old firearms. One was a shotgun with absolutely no trigger action left and the other one was an old Snider rifle which was used in one of the wars, the first world war or earlier.

We played with those for a number of years. I do not know what has become of them but obviously they were relics. If we had the same rules then that we are going to have, we would be in some legal difficulty.

I do recall however that my friends purchased .22 calibre firearms for their use when they "came of age". I would go hunting with them. The admonition from my parents at that time was to be careful.

The point that I make is that for most cases, that was enough. Most of us were. In the 1940s and 1950s, one could acquire firearms by mail order, could use them without training, could will them without any inhibiting regulation.

Those of us who survived without regulatory interference feel that we have somehow lost some freedoms and privileges in the intervening years, as we have moved into an era where because of societal difficulties we have developed a system of regulation for the training, acquisition, sale and storage of firearms.

In conclusion, I would have to say that my age group can look back to a very idyllic time where responsibility was a given, care and caution was expected. It is these memories that tend to anger the firearm owners of today.

• (1620)

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, I would like to refer the hon. member to a number of reasons for which there is such growing opposition across the country to more regulations for law-abiding gun owners.

One reason is that it is costly. The minister indicated that it would cost $85 million to implement this legislation. Other estimates reach into the hundreds of millions of dollars. People on this side of the House, certainly at this time of budgetary constraint, would question why we are spending this money on the registration of firearms. The money would be better spent on health care or other social programs.

The second reason is that it is a non-secure system. If a hacker can break into the Pentagon's computer list, it will certainly make a shopping list for criminals once the information is out.

The third reason—and members opposite will say that only those who are paranoid will say this—is that this is another step toward confiscation. The minister has repeatedly said that he believes only law enforcement officers and armed forces personnel should have firearms. When he makes those statements is it any wonder that Canadians are paranoid that this is another step toward confiscation of their legally acquired firearms?

Mr. McKinnon: Mr. Speaker, I did not really hear a question, so I will comment on his comments.

At the present time we do have a registration system. A firearm can be tracked: where it was manufactured, through the distributor, wholesaler, retailer, to the end purchaser. However, to do that requires hundreds of hours to go through the ledgers of various organizations.

The kind of system that I envision would be almost like a charge card. All the rifles would be shown in black print. We would instantly be able to locate a rifle by running it through the network, which would reduce the cost and time which is now required.

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, I have always found the hon. member to be very reasonable.

Has he done a poll in his constituency? If he has not, will he, and will he follow his constituents' advice on this issue?

Mr. McKinnon: Mr. Speaker, no, I have not. Yes, I am reasonable. I will pursue the same privileges as the hon. member from Edmonton; I will follow my conscience.

[*Translation*]

Mr. André Caron (Jonquière, BQ): Mr. Speaker, I am pleased to speak on Bill C-68 respecting firearms. I am somewhat surprised with what I heard in this debate, which I have been following from the beginning. I noticed antagonistic positions. I noticed, coming perhaps a little more often from our colleagues from the Reform Party, arguments that seem disproportionate and highly questionable to me. I will get back to this in my remarks.

Let me tell you right away that I agree with the principle of the bill introduced by the Minister of Justice. I will start with a brief outline of the bill, and then move to the basis for my supporting it.

Bill C-68 establishes a licensing system for the carrying and use of firearms.

This bill also establishes a Canada-wide firearms registration system. I raise these two points immediately because, from what

I could see in the debate so far, these are two aspects of the bill that prompt people to oppose it, often fiercely.

Moreover, the bill calls for stricter controls on the import, trafficking and smuggling of firearms in Canada. It provides for stiffer sentences of imprisonment for individuals who commit serious crimes with firearms. The current minimum sentence of one year, under section 85 of the Criminal Code, would be increased to four years with this bill.

At last, certain types of handguns would now be prohibited in Canada. The bill prohibits the import or sale of handguns using .25 or .32 cartridges as well as handguns with a barrel equal or less than four inches in length. This provision applies to approximately 85 per cent of handguns in Canada.

Finally, the bill makes any violation of the provisions regarding licensing and registration a criminal offence.

There are perhaps seven million firearms in Canada today. This is an estimate, as any round figure, because no one knows for sure. Some people have had firearms for many, many years in their closets or basements. I personally have two: a small .22 calibre rifle and a 12 gauge shotgun. They are in a closet. I have not used either of these firearms in over ten years, but I think I have owned them for 20 years. No one knew that I owned firearms. Like many other Canadians, I fall in that statistical category.

It is also a fact that Canadians are in favour of firearms control. I will continue next time, Mr. Speaker.

The Speaker: You will have a lot of time to do so then, dear colleague.

SITTING SUSPENDED

The Speaker: We will suspend the sitting of the House for a few minutes.

(The sitting of the House was suspended at 4.27 p.m.)

SITTING RESUMED

The House resumed at 4.30 p.m.

The Speaker: Order. It being 4.30 p.m., pursuant to Standing Order 83(2), the House will now proceed to the consideration of Ways and Means Motion No. 20 for the budget statement.

* * *

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.) moved:

That this House approves in general the budgetary policy of the government.

He said: Mr. Speaker, I am tabling the budget documents, including the notices of ways and means motions. The details of the measures are included in the documents.

• (1635)

Pursuant to an order of this House, I will introduce today a bill seeking borrowing authority for the 1995–96 fiscal year. I am asking that an order of the day be designated for consideration of these motions.

The Speaker: Is there unanimous consent?

Some hon. members: Agreed.

Mr. Martin (LaSalle—Émard): Mr. Speaker, a lot of people think I should sit down now.

Mr. Speaker, there are times in the progress of a people when fundamental challenges must be faced, when fundamental choices must be made, and a new course charted. For Canada, this is one of those times. Our resolve, our values, our very way of life as Canadians are being tested.

The choice is clear. We can take the path, too well trodden, of minimal change, of least resistance, of leadership lost. Or we can set out on a new road of fundamental reform, of renewal, of hope restored. Today we have made our choice. Today we take action.

[*Translation*]

This is a window of extraordinary opportunity. Thanks to the hard work of millions upon millions of Canadians, our economy is now stronger than it has been for years.

Last year, economic growth in Canada was the highest of any G–7 country. We are projected to lead again this year. In the past year, 433,000 jobs have been created, and Canada's exports have never been higher. As a result, our balance of payments has improved dramatically.

Productivity has surged. Our cost competitiveness is at its highest level in more than 40 years. Canada remains one of the lowest inflation countries in the world.

Canadians want to keep it that way, and so does this government. The targets that we set with the Bank of Canada will make sure that happens.

These statistics tell a story of an economy in bloom; an economy of growth and new jobs. However, there are two clouds that loom over our country's horizon.

The first is the uncertainty that some would create over the future of Quebec. Let there be no doubt—that challenge will be met. Quebecers do not want Canada, their country, torn apart. The second cloud is the debt and deficit. Dealing with that challenge is our purpose today.

[*English*]

This government came into office because it believes that the nation's priority must be jobs and growth. And it is because of that, not in spite of that, that we must act now to restore the nation's finances to health.

As the Prime Minister has said: "The time to reduce deficits is when the economy is growing. So now is the time". Not to act now to put our fiscal house in order would be to abandon the purposes for which our party exists and this government stands: competence, compassion, reform and hope.

• (1640)

The debt and the deficit are not inventions of ideology. They are facts of arithmetic. The quicksand of compound interest is real. The last thing Canadians need is another lecture on the dangers of the deficit. The only thing Canadians want is clear action. Therefore let me go directly to the bottom line.

Last year, in our first budget, we laid out a firm course of action. We said that we would reduce the deficit in this fiscal year, 1994–95 to no more than $39.7 billion. We now estimate that the underlying deficit for the current fiscal year will be about $35.3 billion, or $4.4 billion below our target.

[*Translation*]

We will still be well under the target, even after booking certain one–time charges related to some of the major reforms contained in this budget.

Looking ahead, we pledged in our last budget that the deficit in 1995–96 would not exceed $32.7 billion and would be reduced to 3 per cent of GDP—now estimated to be $24.3 billion—by 1996–97. It is now evident that unless we take further direct action, those deficit targets will not be met.

[*English*]

This is because interest rates are higher today than anyone thought they would be. Therefore based on prudent economic assumptions and with very sizeable contingency reserves in place, we could face shortfalls of $5 billion from our deficit target in 1995–96 and $10.6 billion the year after. Those gaps must be closed. With this budget, we are closing them.

We will hit our deficit target for 1995–96. We will hit our target for 1996–97. And of equal importance, the downward track established by the actions taken in this budget will continue in the years thereafter.

Taking the next two fiscal years together, this budget delivers cumulative savings of $15.6 billion, with spending cuts for $13.4 billion. Going beyond to 1997–98, the reforms we are introducing today will continue to pay off with further savings totalling $13.3 billion.

Over the next three years, the actions in this budget deliver almost seven dollars of spending cuts for every one dollar of new tax revenue. This budget will deliver cumulative savings of $29 billion over the next three years, of which $25.3 billion are expenditure cuts. This is by far the largest set of actions in any Canadian budget since demobilization after World War II.

These measures will have a very significant impact on the level of government spending in the future.

By 1996–97 we will have reduced program spending from $120 billion in 1993–94 to under $108 billion. Relative to the size of our economy, program spending will be lower in 1996–97 than at any time since 1951. The impact of these measures on the fiscal health of this country will be significant and substantial.

By 1996–97, our financial requirements, that is, what we actually have to borrow from the markets, will be down from $30 billion last year to $13.7 billion, or 1.7 per cent of GDP. That percentage is lower than what is projected for the United States, for Germany, for Japan. In fact, it is lower than what is projected for all of the national governments of every country of the G–7.

• (1645)

Perhaps most importantly, in that same year the debt will no longer be growing faster than the economy. The debt to GDP ratio will have begun to decline and we are committed to keeping this ratio on a permanent downward track.

We face a historic challenge in this country and this is a historic response. We have always said that meeting our targets was the least we could do, not the best we would do. That is why it is so important that this year we will have beaten our deficit target by a substantial amount. And looking ahead, building on the advice of the finance committee of this House, for which I am very grateful, we have deliberately chosen economic assumptions that are once again more cautious than those of most private sector forecasters. Once again, we are backing up our assumptions with substantial contingency reserves of $2.5 billion in 1995–96 and $3 billion the year after.

This means that even if interest rates go up next year by almost one and one–half percentage points, more than our already cautious assumption, our fiscal position will be fully protected. But it means something else which is very important. If we do not need our contingency reserve, it will not be spent. It will go to reducing the deficit further. This is what happened in 1994–95. And because of our prudent economic assumptions, one should not be surprised if it happens in 1995–96 and 1996–97 as well.

If interest rates and income growth conform to the average private sector forecast, the deficit in 1996–97 could be brought down below $19 billion, in fact some $5.5 billion less than this budget projects.

We have always said that our 3 per cent interim target was a station on the way, not our ultimate destination. Interim means interim. Canadians want more than temporary fiscal remission. They want full fiscal health. It is absolutely essential that once we meet our interim target we do not stall. We will continue to set firm, short term deficit goals, rolling two–year targets until the deficit is erased.

The Prime Minister said two days ago that balancing the books is our goal. In government short term targets are the surest way to zero. They are the most effective spending control anyone could impose on a government. They keep our feet to the fire. They make it impossible to postpone needed action and they prevent fanciful, foolish forecasts.

The government wants Canadians to be able to judge it not on its rhetoric but on its results.

[*Translation*]

The targets we set are crucial. But how we get to our targets is every bit as important. Because the fact is that if we are to ensure durable fiscal progress, building towards budget balance—that can only happen if we redesign the very role and structure of government itself.

If we secure that reform, it will continue to pay off in 1997–98 and every year thereafter. Indeed, as far as we are concerned, it is this reform in the structure of government spending—in the very redefinition of government itself—that is the main achievement of this budget.

• (1650)

[*English*]

After extensive review this budget overhauls not only how government works but what government does. We are acting on a new vision of the role of government in the economy. In many cases this means smaller government; in all cases it means smarter government.

We are dramatically reducing subsidies to business. We are changing our support systems for agriculture. We will be putting government activities on a commercial basis wherever that is practical and productive.

[*Translation*]

We will be overhauling the unemployment insurance system as part of our social security reform, and reforming the system of transfers to the provinces—putting it on a basis that is more in line with the actual responsibilities of the two levels of government.

[*English*]

It is essential that our effort be guided by clear principles and values. First, we believe it is crucial that the government get its own house in order. Our budget must focus on cutting spending, not raising taxes.

Second, government must define its role in a way that mirrors our priorities as a people. Blind cuts are bad cuts. Canadians need a budget designed to promote growth and jobs.

The third principle is frugality. Governments do not have money. They are given money, money from the pockets of Canadians from coast to coast to coast, and so government must behave as if every dollar counts because every dollar does.

Finally, we must never, ever lose sight of the need to be fair, fair among our regions and fair among individual Canadians.

[*Translation*]

If our purpose is to get the economy right, we need to redesign the role of the government in the economy to fit the size of our pocketbook and the priorities of our people. What is that role? It is to provide a framework for the private sector to create jobs, to see an aggressive trade strategy as central to Canada's industrial strategy. And it is initiatives such as the Prime Minister's, in Asia and Latin America, that will create opportunity for thousands of Canadians here at home.

[*English*]

What is the role of government in the economy? It is to ensure that the nation's finances are healthy. It is to do what only government can do best and leave the rest for those who can do better, whether they are in business, labour or in the voluntary sector.

This budget puts our priorities into action. It does so after a top to bottom review of all departments of government led by the Minister responsible for Public Service Renewal. As a result we will be able to reduce departmental spending dramatically over the next three years while maintaining the services that are truly needed by Canadians.

[*Translation*]

For example, between this fiscal year and 1997–98, annual spending will go down by $1.6 billion at Defence, $550 million for international assistance, $1.4 billion at Transport.

[*English*]

Over the next three years spending will be cut by more than $600 million at natural resources, almost $900 million at HRD, over $200 million at fisheries, almost $900 million in the industry portfolio, more than $550 million in the regional agencies, nearly $450 million at agriculture. In short, overall departmental spending will be cut by almost 19 per cent in just three years.

Let me emphasize, this is not a slowdown in the increase of spending max as cuts. These are not the cuts of yesteryear. These are real cuts in real dollars.

• (1655)

In the last recession every household, every business, every volunteer group in this country was forced to face up to hard choices and real change, but the Government of Canada did not. In this budget we are bringing government size and its structure into line with what we can afford.

[*Translation*]

As a result of the cut–back and reform of programs, the President of the Treasury Board has announced that the public service will be reduced by some 45,000 positions over three years, with 20,000 being eliminated by the summer of next year.

Because so many of those affected have given so many years of valuable services to Canadians, we are committed to downsizing the public service as fairly as possible.

In some departments the scope for savings has been less than in others. For example, we are responding to Canadians' concern about public safety in their communities by strengthening gun control and largely maintaining existing levels of support for law enforcement, the justice system and correctional services.

[*English*]

As a second example, the Minister of Citizenship and Immigration has made clear our commitment to a fair, affordable and well–enforced immigration policy. Therefore, a form of financial guarantee will ensure that sponsors of immigrants meet their obligations.

In addition, a $975 fee will be charged all adults immigrating to Canada to offset the costs of immigrant services.

[*Translation*]

The measures in this budget share a common foundation and philosophy. For example, across government, we are taking major action in this budget to substantially reduce subsidies to business. These subsidies do not create long–lasting jobs. Nobody has made that case more strongly than business itself. In this budget, total spending on business subsidies will decline from $3.8 billion in this fiscal year to $1.5 billion by 1997–98. That is a reduction of 60 per cent in three years. Remaining industrial assistance will be targeted on the key engines of economic growth—trade development, science and technology and small and medium size business.

[*English*]

Transportation and direct agricultural production subsidies are being eliminated or substantially reduced. This is historic change. Decades ago, even into the last century, those subsidies were put in place to respond to Canada's transportation and agricultural needs then existing. As time has passed, those needs have evolved but the subsidy structure has not. For years governments have known about the need for change but they have hesitated to act. But we cannot postpone action any longer.

To that end, subsidies under the Western Grain Transportation Act are eliminated effective 1995–96, resulting in savings of $2.6 billion over the next five years. This subsidy evolved from the Crow rate established in 1897. It has played a pivotal role in the development of the prairie economy, but in more recent years it has come to restrict the ability of prairie farmers and their industry to adapt and to compete.

• (1700)

To facilitate this change we will make a one time payment of $1.6 billion to prairie farm land owners to be provided for in this fiscal year 1994–95.

We will invest a further $300 million over several years to facilitate a more efficient grain handling and transportation system. We will provide new credit guarantees to help Canadian farmers sell to non–sovereign buyers abroad.

Next, the Atlantic freight subsidies are also being eliminated, effective in the upcoming fiscal year. This will result in savings of $500 million over the next five years alone.

The elimination of this subsidy will contribute to a better transportation system. To help ensure this, the government will set up a five–year, $326 million transportation adjustment program that among other things will help modernize the highway system in Atlantic Canada and eastern Quebec.

[*Translation*]

Consistent with the recent decision of federal and provincial ministers of agriculture, a core national "whole farm" stabilization program will be developed, together with crop insurance and province–specific programs.

The costs of these initiatives will be shared between the federal government, the provinces and farmers themselves. This will replace current programs based on individual agricultural commodities. It will therefore encourage innovation and diversification, as well as resulting in a 30–per–cent reduction in federal contributions to agricultural safety nets. Next, the subsidy paid to industrial milk producers will be reduced by 15 per cent in 1995–96 and by a further 15 per cent the following year. The future of this program will be reviewed, in consultation with industry.

Finally, the feed–freight assistance subsidies are being discontinued and the Livestock Feed Bureau will be wound up. A portion of the resulting savings will be redirected on a transitional basis to help adjustment in the livestock industry.

[*English*]

Financial support to business should only be provided if there is no alternative and a valid national need clearly exists. That is why we have made a clear public commitment that new funding for mega projects will not take place.

In the last year I have had numerous requests for the funding of such projects cross my desk and every one of these has been turned down.

In addition, with this budget we are eliminating the Public Utilities Income Tax Transfer Act. It can no longer be justified in today's fiscal circumstances.

Small businesses are the primary creators of new jobs in this country. Removing barriers to their success is a core priority for the government and for Canadians, as is providing practical assistance for them to survive and to grow.

Last year we announced that we would review the $500,000 lifetime capital gains tax exemption for small business and for farmers. As a result of that review, we are announcing that no changes to it will be made.

We see our regional agencies as playing an important role in the creation of opportunity and long lasting jobs. However, we do not believe that handouts are the way to do it. Therefore, consistent with our new policy to sharply reduce business subsidies, assistance to firms will be provided primarily through repayable loans on terms tailored to foster genuine opportunity.

• (1705)

This government is determined that small businesses will have access to the financing they need to continue being our number one creator of jobs. While some progress has been made there continue to be very large gaps in the system. We believe that Canada's banks have a special obligation to help close those gaps. That is why between now and the fall we have told the banks that we will be working with them to hammer out meaningful performance benchmarks for small business financing. Progress during the following year will be monitored against those benchmarks.

[*Translation*]

It is ideas today that will generate the products and the jobs of tomorrow. That is why science and technology will become a predominant focus for our business support. In the future, our science and technology efforts will be concentrated more strategically on activities that foster innovation, rapid commercialization and value–added production.

As only one example, the Medical Research Council has mounted a promising initiative to bring together private sector capital and leading academic research efforts. That is the kind of imagination we will encourage as a government in order to stretch government's science dollars further and more effectively, so that Canada's new economy may prosper.

[*English*]

The government is committed to privatizing and commercializing government operations wherever feasible and appropriate. Our view is straightforward. If government does not need to run something it should not, and in the future it will not.

Today we are announcing that the Minister of Transport will initiate steps this year to sell CN. He will also commercialize the air navigation system. When market conditions are favourable the Minister of Natural Resources will sell our remaining 70 per cent interest in Petro–Canada. The Minister of Public Works and Government Services will examine divesting all or parts of the Canada Communications Group.

Let me be clear. This is not a one shot exercise. Our effort to identify other candidates for privatization will continue. This is not ideology, it is simple common sense.

Let me say one thing before leaving program review. We have accomplished a great deal over the last year. We have also confirmed something. Getting government right does not end with this budget or any other, for the essence of good government is in fact permanent ongoing program review, and we are going to provide good government.

[*Translation*]

Canadians make ends meet by watching their dollars every day. It is time government did the same. Last month, the government introduced a new and much tighter system to manage its spending. Departments will have to find the money for their new initiatives from existing budgets.

[*English*]

As another example of new and better management, in the future for the first time government departments will have to prepare three–year business plans. These plans will be subject to parliamentary and therefore public scrutiny.

Our approach to interest group funding will change as well. Some groups will continue to be funded as is. For others in a position to secure financial support from outside government, we will move toward a system based on the provision of matching funds. For still other groups, continued funding will not be possible due to our financial situation.

• (1710)

[*Translation*]

There is no more important task than to do everything we can to help Canadians get jobs, keep jobs or find better jobs. But the fact is that the existing structure of programs does not do that nearly well enough. That is why the Minister of Human Resources Development will be announcing the details of a new human resources investment fund. Many of the department's existing programs that foster employability will be combined under the umbrella of that new fund. A sharper focus on

priorities, together with more efficient, streamlined services will yield substantial permanent savings.

[*English*]

We must also continue to improve the unemployment insurance program, building on the substantial reforms that were introduced in last year's budget.

As has been emphasized so often by the minister of HRD, we need to move away from passive support, away from dependence, toward active assistance, toward independence. In essence, a key job for UI in the future must be to help Canadians stay off UI.

Later this year the minister intends to table legislation that will build on the best elements of unemployment insurance to create a fundamentally reformed program that addresses the needs of our population. It is Canada's workers and Canada's businesses that pay for UI. The program of the future must be one they can afford.

Canada's strong economic performance and the UI reform which the government intends to have in place no later than July 1, 1996 will reduce the overall size of the UI program by a minimum of 10 per cent.

This overall reform combined with improvements in the administration of the UI program will secure savings for taxpayers of $700 million in 1996–97.

[*Translation*]

Improved employment conditions are rapidly eliminating the deficit in the unemployment insurance account which had reached almost $6 billion in 1993. With no increase in premium rates, the surplus in the account will be allowed to rise above $5 billion through to the end of 1996. This surplus will be maintained and used as a buffer to mitigate unemployment insurance premium rate increases during periods of slow economic growth. The result of these measures will be an unemployment insurance program that does much better at investing in people, and will lead to lower, more stable unemployment insurance premium rates that will encourage the creation of jobs.

[*English*]

We will never secure the kind of structural change that we need without reforming the system of transfers to the provinces.

This budget sets out some key parameters. Let me be very clear. As we go forward, we are unequivocally committed to a co–operative approach. That is why, to provide predictability, we said in last year's budget that we would not change the system of major transfers before 1996–97. That is a commitment this budget maintains.

It is also why in March of last year, as one of the first acts of this government, we renewed the equalization program for five years. We are not changing it now.

• (1715)

However, some changes in other transfers are needed, changes that will address two fundamental requirements. The first is a system of transfers that is more effective in meeting contemporary needs. The second is a system that is financially sustainable.

[*Translation*]

Concerning the first requirement, we believe that the restrictions attached by the federal government to transfer payments in areas of clear provincial responsibility should be minimized.

At present, transfers under the Canada assistance plan come with a lot of unnecessary strings attached. The provinces are clearly responsible for designing and delivering social assistance programs. The current cost sharing method no longer helps us to implement these programs as effectively as possible and in tune with local needs.

So we are prepared to address those issues by funding CAP in a similar way as we fund the existing EPF transfers for health and post–secondary education.

As a result, the core rationale for the present segregation of the three transfers into separate categories disappears. Therefore, we are combining all three into a single consolidated block transfer, called the Canadian social transfer, beginning in 1996–97.

Provinces will now be able to design more innovative social programs—programs that respond to the needs of people today rather than to inflexible rules.

[*English*]

However, flexibility does not mean a free for all.

There are national goals and principles we believe must still apply and which the vast majority of Canadians support. Our goal must be to combine greater flexibility with continued fidelity to these principles.

The conditions of the Canada Health Act will be maintained: universality, comprehensiveness, accessibility, portability and public administration. For this government, those are fundamental.

In addition, we will maintain the existing principle that provinces must provide social assistance to applicants without minimum residency requirements.

Furthermore, the Minister of Human Resources Development will be inviting all provincial governments to work together on developing, through mutual consent, a set of shared principles and objectives that could underlie the Canada social transfer.

This reform deals with the requirement for a better functioning system of transfers. But equally we need a system that can be financially sustained.

Our major transfers to the provinces currently amount to $37 billion in cash and tax points. The cash portion alone represents about 21 per cent of our total program spending.

Addressing our fiscal challenge simply does not allow us to leave that spending untouched. We must establish the fiscal parameters of a new system. However, as a matter of fairness and balance, we believe that the provinces should not be expected to bear more of the fiscal burden than we are prepared to impose on ourselves. This budget meets that test.

As we have said, no changes in major transfers are being made for next year, 1995–96, even though we are taking substantial action that year to reduce our own spending.

• (1720)

For the following year the new Canada social transfer will be $26.9 billion, cash and tax points combined. This will be about $2.5 billion less than the projected transfer would be under the present system.

This means that the total of all major federal transfers to the provinces in 1996–97 will be 4.4 per cent lower than they are today. That compares favourably with the reduction in spending in our own backyard, that is to say, everything except transfers to the provinces which will be down 7.3 per cent by that same year.

In 1997–98 the Canada social transfer will be $25.1 billion or about $4.5 billion less than what would have been transferred under the existing system. To keep that in perspective, such a reduction in transfers would equal about 3 per cent of aggregate provincial revenues.

To ensure that everyone shares in fiscal restraint it will also be necessary to subject territorial financing to reduced limits.

[*Translation*]

We believe these measures respond to the need for a more affordable and effective system of transfers. But our challenge and our commitment do not end here. With this budget, we are saying yes to the provinces' desire to sit down for a bottom–up review of the financing of both levels of government. If there are ideas to make the fiscal side of federalism more efficient, let's hear them. And if there are ways to make this federation function better, then by all means let's do it.

One of the greatest reforms ever introduced by a Canadian government has been the provision of decent support for elderly Canadians—who have given, and continue to give—so much to their families and to their country.

In recent weeks and months, there is probably no member of this House who has not received letters or had conversations with elderly Canadians who are worried that the protection their country has provided them will be eaten away.

Because of that, this government is absolutely committed to providing a fair and *sustainable* system of protection for Canada's seniors.

[*English*]

There are two pillars of the public pension system. One is the Canada and Quebec pension plans. The other is the old age security and the guaranteed income supplement.

Canadian seniors deserve to know that those public pensions will be there for them. That in turn requires reform to ensure that the pension system is sustainable in the long term.

Concerning the CPP the most recent actuarial report was released last week and it leaves no doubt that we will have to take steps to ensure that the plan continues to be sustainable. This we will do when we sit down this fall with the provinces to review the CPP.

Let me now turn to the second pillar, the OAS and the GIS. Clearly it is necessary to make these pensions sustainable as well.

To ensure that our approach to the public pension system is comprehensive, the Minister of Human Resources Development and I will be releasing later this year a paper on the changes required in both pillars of the public pension system to ensure its affordability. The focus will be on fairness and sustainability. Consultations will take place once the paper is released. It is our intention that the reforms be legislated to take effect in 1997.

• (1725)

In the meantime, we are announcing today a change in the method of payment of the OAS to high income seniors who are subject to the so–called clawback rules.

Beginning July 1996, monthly OAS payments will be calculated and paid with the clawback amount subtracted, based on the prior year's tax return. This will yield one–time savings of about $300 million.

Finally, to ensure fairness, we will be requiring Canadians who are non–residents of this country to file a statement of their worldwide income in order to continue to receive OAS benefits.

Let me turn now to the question of revenues. There is not one solitary Canadian who likes taxes. As we speak millions of Canadians pay their fair share of taxes and do so on time. However there are those who do not.

[*Translation*]

On a priority basis, the Minister of National Revenue will be taking the following measures to step up his department's efforts with regard to taxes that are owed. For example, the interest rate charged on over–due taxes will be increased by 2 percentage points.

[*English*]

Next, we are announcing steps to make the tax system more fair.

The tax deferral advantages for investment income earned by private holding companies will be taken away.

The current film incentive will be changed. Rather than being a tax shelter for high income investors, a new refundable credit will be provided directly to producers of Canadian films.

Those who earn business or professional income have a tax advantage over many other Canadians. Because of special rules that allow them to select their own year end for tax purposes, those individuals are given an ongoing tax deferral. That advantage is being eliminated subject to a 10–year transition period.

We are concerned that the rules regarding the resource allowance for the mining and petroleum industries are not working as originally intended. We will be meeting with the provinces and both industries on possible improvements to or replacement of this allowance.

We will be evaluating the entire R and D tax inventive program to ensure its effectiveness.

While this review is under way no bank or other financial institution will be eligible for these incentives related to information technology.

[*Translation*]

Concern has been expressed about tax advantages that may exist as a result of the establishment of trusts, trusts which largely benefit high–income Canadians.

Therefore, for foreign trusts—and indeed for taxpayers who invest in foreign holdings generally—we are introducing more stringent reporting requirements.

Second, this budget eliminates all tax advantages that flow from the establishment of family trusts. That involves eliminating the potentially unfair income spliting advantages that exist. And we are repealing the previous government's amendment that allowed deferral of the 21–year rule.

[*English*]

Providing tax assistance to encourage Canadians to save is an essential part of our retirement income security system. We are not prepared to compromise the integrity or the purpose of that system. But equally, we must ensure that the benefits of tax assistance are shared fairly in these times of restraint, while also adhering to the key principles and purposes of pension reform.

• (1730)

One of those principles is that tax assistance should be provided for contributions to registered saving plans based on earnings up to two and one–half times the average wage and no more. Therefore, we will be reducing the upper limit on deductible RRSP contributions to $13,500 for 1996 and 1997. That limit will then be allowed to progressively increase to $15,500 by 1999. The maximum pension limit for registered defined benefit plans will be frozen at its current level through 1998.

We are also introducing measures to improve the overall fairness of this system by tightening some existing provisions. For example, beginning in 1996, the over contribution allowance for RRSPs will be reduced from its current $8,000 to $2,000.

[*Translation*]

Our effort to ensure an effective and fair system of taxation does not begin—or end—with this budget.

We want to make absolutely clear our ongoing commitment to tax–reform.

If we must constantly scrutinize government spending—as we must—then let it be clear we must also constantly scrutinize the fairness and effectiveness of the tax system.

[*English*]

Despite the size of the savings we must secure, this budget focuses almost entirely on reducing the spending of government, not increasing taxes for Canadians. That being said, spending cuts themselves get us very near to our targets, but there is a small gap we must close. Therefore, we have found it necessary to do four things.

First, the existing large corporations tax will be increased by 12.5 per cent effective immediately in order that big companies contribute more to help bring the deficit down.

Second, we are raising the existing corporate surtax from 3 per cent to 4 per cent.

Third, effective midnight tonight, the federal excise tax on gasoline will be increased by 1.5 cents per litre, raising $500 million annually. This will restore total revenue from all federal excise taxes to approximately the level they were in 1993–94.

Finally, we are announcing today a temporary tax on the capital of large, deposit–taking institutions, including the banks. That tax will be in effect until October 31, 1996 and will raise about $100 million.

Taken together, the revenue measures in this budget are far overshadowed by the size of the spending cuts we have made. For every $1 raised in new tax revenue over the next three years, there are almost $7 in spending cuts. Furthermore, in this budget, like last year's, we are not increasing personal income tax rates one iota.

• (1735)

This budget sets this country on a sure course of fiscal responsibility and government renewal. Our task is not over and our efforts will not cease. Those who believe that the government will inevitably let up in its effort to cut costs as the next election approaches simply do not understand the conviction of the Canadian people that a deteriorating national balance sheet is no longer acceptable.

[*Translation*]

Constant renewal is what this country is all about. Indeed, it is the essential ingredient of a dynamic federalism.

There are those who would argue that this country, this federation, cannot change—that Canada is about the status quo. That is nonsense.

None of us is here to defend the status quo. We are here to change it. And with this budget we are.

Providing new fiscal leadership. Reducing overlap and duplication. Giving the provinces greater freedom to design and deliver services. These changes respond to positive pressures for change from across the country.

They mark a recognition on the part of us all that in this tough, competitive world, despite the differences we have, we all have so much to gain by working together—productively, rather than standing apart—destructively.

This budget faces difficult choices for all Canadians. But this year, in Quebec, some of us are also being asked to choose a country. To choose to remain proud partners in a large, reforming country. Or to become something else—smaller and alone. To embrace real change and improvement, or to join those who pretend that the road to a better future lies through fracture.

The separatist view has always been the same—its own status quo. Ignoring reform that has happened. Denying reform when it is occurring. Refusing reform when it is offered.

That is not our position. By definition, Canadian federalism is change—always improving, always progressing and today, with this budget, reaching ahead to a new phase of renewal.

[*English*]

It is customary at this time, when closing the presentation of a government's budget, to claim that the measures being taken have solved every problem, responded to every expectation and addressed every need. That is something we will not say today.

The fact is there is so much more that we would like to be able to do for the millions of Canadians who care little about the world of dividends and derivatives and simply worry about making ends meet. That being said, if we believed that dealing with the deficit would do nothing to protect what we value, if we believed that it would do nothing to offer hope to ordinary Canadians, we would not be acting now because it is they who suffer when government must focus its precious resources on satisfying lenders abroad rather than real needs at home.

• (1740)

For all of us who care for the social fabric of this country, who seek a better future for our children, who are committed to the protection of our seniors and to the independence of our country, the state of the nation's finances simply has to be addressed.

[*Translation*]

The choice is ours. We can either dwell on our imperfections—or work together towards real improvement.

We can leave the field to those who have given up on Canada—or we can demonstrate trust in ourselves.

[*English*]

We believe this is the year we can turn the corner and turn the page. It may seem like a long struggle, but the light at the end of this tunnel is much nearer than any of us might think.

Canadians can have confidence now in a government that has put the era of band-aid budgets behind it.

Canadians can have confidence now that their social programs will be there for those who need them.

Canadians can have confidence now in their country being one of the most attractive places in the world to invest, creating jobs.

For too long, governments have known the need for reform and renewal; known the need, but not the will. That has been the problem with the governments of this country. This government has made its choice and it is against the status quo and in favour of a stronger country.

Let me close by quoting from another Canadian in an earlier time, a member of a previous government who, as I remember, did not particularly like finance ministers:

> Government must not live in the past—Every day there are new needs to be met. If inflation is to be fought, unemployment countered and something done, and soon, to get Canadian prosperity back into its stride, the government must begin to plan ahead—not timidly, not tentatively—but boldly, imaginatively and courageously.

Mr. Speaker, those words were spoken by my father in 1957—for his time. That is what I believe we have done today, for ours.

Some hon. members: Hear, hear.

BORROWING AUTHORITY ACT, 1995–96

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.) moved for leave to introduce Bill C–73, an act to provide borrowing authority for the fiscal year beginning on April 1, 1995.

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

• (1745)

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, the only thing the finance minister is decentralizing to the provinces in this budget is the deficit, and nothing else.

Some hon. members: Hear, hear.

Mr. Loubier: He is decentralizing the deficit while making cuts, as we have been seeing since last year, at the expense of the most destitute, that is to social programs, unemployment insurance and everywhere except where cuts should be made.

After the finance minister's usual generalized downloading since bringing down his budget in February 1994, we are now to witness a major downloading of the deficit and of his responsibilities onto the provinces.

The cuts in federal transfer payments to the provinces, specifically transfers for postsecondary education, health and the Canada assistance plan will not be made right away this year. That would be far too much courage to expect from this government during this referendum year. But they will be made, the axe will fall in 1996–97, eliminating $2.5 billion in federal transfers for postsecondary education, health and the Canada assistance plan.

Not satisfied with axing social programs and transfers to the provinces, in 1997–98 the federal government will cut a further $4.5 billion from transfers to the provinces, all of this under the guise of alleged decentralization, a masquerade of decentralization which is really just the finance minister downloading his responsibilities.

These cuts of $4.5 billion to social programs in 1997–98 will of course have to be negotiated after the referendum. That shows how much the government cares about clarity, honesty and being compassionate about education, health and poverty. Not only does this government show a lack of courage by downloading its problems onto the provinces, it has been so hateful as to do it on the backs of the most destitute.

As for the unemployment insurance fund, already drastically cut by $300 million last year, the minister is proposing $2.4 billion in cuts this year and another $2.4 billion next year while at the same time considering a 10 per cent cut in contributions to the UI fund. The finance minister is hateful and arrogant enough to present these deficit objectives, these deficit results for 1994–95, saying that he has reduced his objective from $41 billion to $39 billion. But he has pulled this off by taking the $2 billion surplus from the unemployment insurance plan and deducting it from his forecasts. That explains his outstanding accomplishment; he did not in any sense reduce the deficit for this year, he simply took the surplus from the unemployment insurance program to make himself look good as a public sector manager.

This is unacceptable. While $7.5 billion were already to have been cut from social programs and unemployment insurance over the next two or three years, the finance minister presents in this budget a 60 per cent cut in business subsidies over the next three years. Sixty per cent over three years, although the Bloc Quebecois and even the Conseil du patronat du Québec had suggested eliminating these business subsidies over the coming years, subsidies which most often give rise to patronage, inefficiency and unfair competition. Not only does the finance minister tell us that the $3.8 billion in subsidies will be reduced by only 60 per cent over three years—there will still be $1.5 billion in business subsidies in 1997—he is cutting more than $300 million from CMHC for social housing. That is this government's concept of social justice.

• (1750)

Where is the reform of the tax system? Where is this so long–awaited reform? Where? The minister has been heralding it with great pomp since he assumed the position. He did not deliver. He never had any intention of reforming the tax system.

What did he do about the taxation of businesses? What did he do to prevent a reoccurrence of the recent fact that over 70,000 profitable Canadian businesses did not pay a cent of tax to Ottawa? With what has he plugged this tax loophole? Nothing. He took no steps to collect this money that profitable businesses owe to federal coffers. He has slightly raised corporate taxes, about 1.5 per cent over three years.

What did he do about those tax agreements signed with countries considered to be tax havens? Nothing. The Auditor General said himself that hundreds of millions of dollars are being transferred through bogus Canadian subsidiaries to foreign tax havens. What did he do about this? Once again, nothing.

What did the Minister of Finance do in this budget to cut the tax breaks offered to extremely rich Canadian families through family trusts? By the way, I do thank the minister for getting rid of these tax breaks, but he should have cut them immediately, not in 1999, as is provided for in the budget. Doing it in 1999, what a sham.

By then, extremely rich Canadian families will have had the time to dismantle their family trusts and to transfer their hundreds of millions of dollars to other tax shelters to avoid paying tax on capital gains year after year. And they dare say

that they met the demands of the official opposition. The Minister of Finance must be joking.

What did the Minister of Finance do in this budget to reduce duplication and waste? As the champion of restructuration, of flexible federalism, of the progressive backward status quo, the Minister of Intergovernmental Affairs, said himself, the federal government will continue to be active in areas of provincial jurisdiction. He made this comment while referring to forestry and health services.

The budget itself tends to download deficit problems while keeping a firm central rein on areas of provincial jurisdiction. Be they known as Canada–wide standards, guiding principles or by any other name, the budget's bottom line is that over the next few years, there will be no decrease in overlap, duplication and waste in the management of public funds. We are certain that this overlap and wastage will persist because the federal government will not withdraw from areas falling under provincial jurisdiction.

This budget talks of an increase in taxes on gasoline but pays only lip service to the issue of collecting the some $6.6 billion in unpaid taxes payable to the federal government.

If we compare last year's budget to this year's, we see it contains no concrete measure regarding the collection of these unpaid federal revenues. Instead of recovering these $6.6 billion in unpaid taxes, the minister has created new taxes, new needs and imposed cuts on the most needy.

Earlier, I heard the minister talk about agriculture. It is disgusting what is happening with agriculture. To compensate the prairie provinces for the loss of the famous Crow's nest rate and of subsidies for the transportation of grain and for the drop in land values, this new budget will give western producers $1.6 billion to start. They will also receive $1 billion in loan guarantees.

To that, we can add $300 million for the transition. Close to $3 billion will be invested in Western Canada following the elimination of the Crow's Nest subsidy, while there is nothing in the budget for Quebec. On the contrary, the budget cuts the dairy subsidy by 30 per cent, which will have a major impact in Quebec since 50 per cent of dairy production comes from that province.

While giving $3 billion to Western Canada, they are cutting by 30 per cent the dairy subsidy to Quebec farmers, which amounts to between $30 million and $40 million, in addition to reducing their income security. That is a disgrace! They are perpetuating all that has been denounced for 30 years about a system that does not treat Western and Eastern Canada equally in various regards, particularly in the agricultural sector.

I could have mentioned the blind cuts affecting cultural institutions, like the CBC, and regional development, but I will not go any further since we will have the opportunity in the coming days to discuss in more detail this budget, this crock supposedly aimed at restoring some confidence among Canadian taxpayers.

Today's budget does not tackle the real problems. In fact, the Minister of Finance is not credible when he expresses his intention to eliminate the deficit, because he does not address our serious structural unemployment problem nor acknowledge the fact that there are too many levels of government in this country. Finally, he says he wants to eliminate the deficit without explaining when or how; in particular, he did not outline budgetary appropriations for 1997–98. We do not know where we are going after 1997–98. We do not know where this disgraceful reform to be achieved at the expense of the most disadvantaged and the provinces is leading us.

To deal with both duplication and unemployment, the federal government should have included in its budget a proposal to withdraw immediately from all areas of provincial jurisdiction in return for the corresponding share of our federal taxes. That would be a real reform. That was what we were expecting. As far as restructuring is concerned, that is what we were expecting on this side of the House.

In conclusion, the minister said at the beginning of his budget speech that there were two clouds looming over the horizon. Quebec nationalists are crying out that they want more power, particularly the sovereignists. The second cloud is the debt and deficit. The minister is deliberately looking for a scapegoat for his laxness. He has been lax for the past year, and all Canadians paid for it barely one month after his first budget in the form of increased mortgage or other interest rates.

We are paying for this laxness. If a cloud is looming over the horizon, the minister should have added two more to replace the constitutional cloud. His government is the looming cloud. His government has had a year and a half, but has not made the right decisions, leaving us facing huge cuts this year. And they will carry over into the coming years as well. Because the government is lax, we have this enormous problem of the federal debt before us. Another cloud looming over the Canadian horizon is unemployment.

There should have been talk of tackling unemployment, but no mention was made, because it is not a priority for the minister. It is not a cloud looming over this government, despite the fact that 1.2 million people are out of work in Canada, and people are waiting for training, who have not had it because of the government's inertia.

I therefore move:

That the debate be now adjourned.

The Speaker: In accordance with Standing Order 83(2), the motion is deemed adopted.

(Motion agreed to.)

Therefore, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 83(2).

(The House adjourned at 5.59 p.m.)

HOUSE OF COMMONS

Tuesday, February 28, 1995

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

MAIN ESTIMATES, 1995–96

A message from His Excellency the Governor General transmitting estimates for the financial year ending March 31, 1996, was presented by the President of the Treasury Board and read by the Speaker to the House.

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, I would also like to table in support of the estimates part I, the government expenditure plan.

In addition, I will table with the Clerk of the House on behalf of my colleagues part III of the estimates consisting of 78 departmental expenditure plans. We distributed these documents to members of the standing committees to assist in their consideration of the spending authorities sought in part II of the estimates.

* * *

HOUSE OF COMMONS

The Speaker: I have the honour to lay upon the table the expenditure plan in relation to the 1995–96 estimates for the House of Commons.

* * *

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

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

[*English*]

MAIN ESTIMATES, 1995–96

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, today I presented the 1995–96 main estimates for the Government of Canada.

[*Translation*]

They are the second main estimates of the 35th Parliament containing the expenditure plans of the government for the next fiscal year.

[*English*]

They reflect the government's commitment, as the Minister of Finance outlines in the budget, to restrain spending, streamline operations and change fundamentally what government does and how its programs and services are delivered.

• (1010)

The main estimates lay out details of $164.2 billion in total planned budgetary expenditures for the next fiscal year. This includes $116.2 billion stemming from existing legislation and $48 billion in expenditures for which we are seeking parliamentary authority.

The main estimates are the first step in carrying out the expenditure plan set out in the budget.

Yesterday we heard the Minister of Finance announce an expenditure plan amounting to $163.5 billion in 1995–96. As I mentioned, the main estimates that I have tabled today total $164.2 billion for 1995–96.

The difference between these two figures is explained by the fact that the main estimates do not include the impact of the proposed legislation that is needed to implement some of the budget expenditure cuts that the Minister of Finance talked about yesterday, nor do they include some other technical adjustments which are set out in part I of the estimates.

Program spending in the budget which excludes the cost of interest on the public debt will decline to $114 billion in 1995–96. It will go down to $107.9 billion in 1996–97, down 10.8 per cent from $120.9 billion in 1994–95. This is as a result of the program review and previous budget measures.

[*Translation*]

The budget cuts spending. It demonstrates that we will continue to reduce the deficit and continue to meet our fiscal targets.

[*English*]

The budget focuses on the need to cut government spending and to improve the economic climate so that job creation can flourish. The program review is a central part of the budget and a key element in our jobs and growth agenda. The government launched the review to pinpoint the programs and services that are no longer useful or that could be delivered more efficiently or effectively by others.

We have seen the results in the budget reducing the federal role in some areas and highlighting the programs and services that other levels of government or the private sector could provide.

By 1997–98, and this is important, departmental spending subject to the program review will decline by some 19 per cent relevant to 1994–95 which is very key in our meeting our deficit target of 3 per cent of GDP in three years and of course going beyond that.

I will give some examples of how the government is implementing the program review in an environment of declining resources. First, the government will focus on its essential responsibilities. For example, Transport Canada will concentrate on developing policy and legislation and setting and enforcing standards for safety and security. As a result some of the department's activities such as its air navigation services will be commercialized. In addition, transportation subsidies will be reduced or eliminated and the remaining operations will be made more efficient.

Second, the government is reducing federal and provincial overlap. For instance, Fisheries and Oceans Canada will negotiate the transfer of its freshwater programs with the provinces and concentrate on conservation and the sustainable use of the fisheries and oceans and other resources.

Third, the government will use new technology to become more efficient. As an example, Environment Canada will automate its atmospheric environment services. The department will also be looking into providing weather services in a more effective and efficient fashion.

Fourth, we are promoting self–reliance by shifting away from direct subsidies to business. The regional agencies will move from direct subsidies to providing loans with more emphasis of course on small and medium size enterprises.

Fifth, the government will recover its costs by charging or increasing service fees to those who benefit directly from them, a move that is fair to taxpayers in general. Such charges include fees for immigration, agricultural inspection, drug testing and drug certification.

Sixth, we will merge similar programs for more efficiency. For instance, Fisheries and Oceans Canada and Transport Canada will take steps to integrate the coast guard and fisheries surveillance fleets.

What I have just outlined shows that we did not shy away from tough decisions. We are focusing on the key functions of the federal government and we are going to get them right.

• (1015)

Inevitably the transition from trying to be all things to all people to offering Canadians fewer but high value programs and services will mean a smaller federal workforce. As a result of reshaping the government and the transfer of some functions to other sectors, the government will reduce the public sector workforce by as many as 45,000 jobs over the next three years. That is the largest workforce reduction by the federal government since it returned to peacetime operations after the second world war.

[*Translation*]

I have announced a program of options that will help employees to move successfully to new lives outside the Public Service. This program, which is comparable to private sector plans, will be fair to employees as well as fair to the taxpayer.

[*English*]

It will allow us to make the program changes and meet the fiscal targets in the budget. For the remaining programs and services the government will provide services that balance the interests of taxpayers with those of the clients who are receiving them. It will seek cost effective ways to deliver quality programs and services that improve service and efficiency where it can.

Across the government, departments and agencies are responding to the challenge of innovation. The results of the program review and the initiatives I mentioned demonstrate that government is intent on being more efficient and focusing its energies and resources where they are most needed while living within its means, and that means what Canadians can afford. We have a very dedicated professional public service I know can deliver those services.

The government is committed to fiscal responsibility. We will continue to manage changing priorities by reallocating resources. The overhaul of the expenditure management system that I announced recently will help departments adjust their programs to operate with their reduced resources. It will also provide parliamentary committees with the information that they require to carry out their mandate to examine the future year expenditure plans and priorities of the various departments and agencies.

[*Translation*]

Our ultimate objective is to deliver quality programs and services with the resources Canada can afford. These Estimates are evidence that we are on the right track.

Mr. Richard Bélisle (La Prairie, BQ): Mr. Speaker, the minister has just tabled the 1995–96 Main Estimates. The Main Estimates represent a total of $164.2 billion in expenditures. The minister explained that program spending in the Budget will decline from $120.9 billion in 1994–95 to $114 billion in 1995–96 and $107.9 billion in 1996–97, a reduction of 10.8 per cent.

Where will the $13 billion in program spending saved over a two–year period be applied? It will be used mainly to finance rising debt charges which during the same two years will increase by nearly $9 billion, assuming that the economy is in good shape, inflation is practically zero and interest rates remain at reasonable levels. What we have is an increase of 20.7 per cent in debt charges over the next two years, almost twice the reduction in program spending announced by the minister.

Nearly 75 per cent of all these efforts, of all these program cuts will merely go towards servicing the debt, which will cost us more than $50 billion in charges in 1996–97.

In 1994–95, debt charges represent 33.6 per cent of budgetary revenues. In 1996–97, these debt charges will represent 36.6 per cent of budgetary revenues. Make no mistake, despite program review and previous budgetary measures, the debt marches on.

Program review merely transfers billions of dollars from Canadian citizens to investors who finance a debt that is increasing steadily.

• (1020)

The minister also said that by 1997–98, departmental spending subject to the program review will decline by 19 per cent relative to 1994–95. What the government did not say is that most of the money saved will be used to finance the cost of servicing the debt, as I said earlier.

The government keeps telling us it is reducing overlap between federal and provincial levels. In fact, the government is transferring the debt and the bills without transferring the corresponding authorities and tax points.

For instance, the Department of Fisheries and Oceans will divest itself of its inland waters programs. In fact, this has been going on for some time in Eastern Canada. Why not transfer authority over the fisheries outright, as requested by the provinces concerned?

The government has not withdrawn from areas under provincial jurisdiction or transferred the corresponding tax room to the provinces. There are still two departments of Health and two departments of Human Resources Development responsible for social programs in each province.

If the government had withdrawn from areas under provincial jurisdiction, it could have saved billions of dollars more on its operating expenditures, while at the same time eliminating costly overlap on the federal side.

The government wants to promote autonomy by eliminating direct subsidies to business. These subsidies, which total $3.8 billion today, will still add up to $1.5 billion in three years' time. Why not get rid of them now, since the business community and business groups, including the Conseil du Patronat du Québec, have been asking the government to abolish them outright?

The government also intends to charge fees for a number of government services. On paper this sounds great, but will charging every adult who applies for immigration to Canada a fee of $975 really reduce the deficit? Charging people this amount when they come here seeking a better life strikes us as mercenary, to say the least.

The budget proposes a 30 per cent reduction in dairy subsidies over the next two years. Quebec, which receives 50 per cent of these direct subsidies, will bear the brunt of this measure. Farmers in Western Canada whose subsidies are cut will receive compensation but not in Quebec.

We are also told that 45,000 positions in the public service will be cut in the next three years and yet this is barely enough to slow down the debt rate. The government says it is determined to be fiscally responsible, but the debt keeps growing as it did under Wilson and Mazankowski.

Why were positions not targeted for cuts in departments and organizations where there is an overlap with the provinces? A significant proportion of staff cuts will, in fact, be made in departments like National Defence and Transport, where there is no overlap with the provinces.

If the government was really serious about flexible federalism, it should have demonstrated its intention, when tabling the budget, to withdraw from areas of provincial jurisdiction. By remaining in these areas, it retains the right to impose its standards and its regulations.

Much greater cuts should have been made now, but more judiciously, so that less would have to be cut in the future and the deficit could be eliminated completely by 1997–98. This way, the cost of the public debt would not represent nearly 50 per cent of program expenditures as it will in 1996–97. The cuts planned for next year in transfers to the provinces and the cuts that will have to be made to programs in two years' time will hurt, but, unfortunately, they will serve only to maintain the cost of the public debt below $50 or $55 billion dollars at that time. Difficult decisions are always put off until later.

The main estimates for the Office of the Auditor General are down by 5.2 million dollars, a little over 10 per cent. The bulk of

this reduction, $4.4 million, results from the review of government programs, whereas program review is one of the cornerstones of government operations. Is this not somewhat paradoxical?

The budget of the Auditor General is cut when the role of this department is expanding, and the government is telling us that the Auditor General will publish as many as five reports a year. The existing legislation will have to be amended, in any case. It provides that the Auditor General may publish one annual report and three supplementary reports. Let us give the Auditor General the funds he needs to do his job, instead of cutting his budget as his role expands.

• (1025)

[*English*]

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I noted in the statement by the President of the Treasury Board that he says: "What I have just said shows that we didn't shy away from tough decisions" and "this government is committed to fiscal responsibility".

The government thinks it is just a case of more taxes, more taxes, more taxes. Then it says: "We're going to do some cutting all across the board". However, on looking at the estimates we find the spending of the government is going up again for the second year in a row. Of course the previous government did it every year before that.

Every year spending goes up. The government says it is cutting. It is cutting the programs it delivers to the people of Canada because the amount of interest paid on the national debt is getting out of control. That is why when we add the two together, spending goes up.

Let us get the job done. Let us get the budget balanced and let us stop the growth of interest during the first three years of this Liberal government. It is going to cut services to Canadians from $120 billion down to $108 billion. However the interest on the debt will go from $38 billion to $51 billion, which more than offsets all the cuts that are going to be made. That situation is going to continue. Spending will go up and services to Canadians will go down.

Mr. Silye: In their last year they will spend more money than in their first year: 158.7 to 158.

Mr. Williams: Mr. Speaker, we also find out about the great commitment for looking after social programs. The government is going to cut social spending by 7.3 per cent. If we look at the cultural programs, it is going to cut them by 6.9 per cent.

Let us get the priorities straight here. Surely we should be protecting the core of social programs and the cultural programs should be set aside until we get the deficit under control. Surely these are the types of things that a prudent manager would be focusing on in a government that is trying to do the difficult job of balancing the budget.

I noticed the Auditor General's budget is going to get cut by 10 per cent. He manages his department responsibly. He says he can do with 10 per cent less. He is the one that points out all the waste and mismanagement right across government. Surely if he can cut by 10 per cent, every other department could get cut by 10 per cent.

That is what the Reform Party has been saying all along. There are cuts; there is waste; there is mismanagement that can be done away with in departments without cutting social programs.

We find there are some increases however. It is not just cut, cut, cut all the way. Enterprise Cape Breton Corporation in eastern Canada gets an increase of 69 per cent, from $10 million to $17 million. It seems a little difficult to explain why one particular area, one particular minister in one particular department can receive an increase of 69 per cent when everybody else has to do with a little less.

The minister tells us he is going to transfer the freshwater management of fish to the provinces. We thought: "This is going to be great. Now we are going to see some downsizing in the department". However, in the Department of Fisheries and Oceans, spending goes up from $775 million to $896 million, an increase of $121 million in spending as it divests itself of its responsibilities.

Mr. Hermanson: There are no fish.

Mr. Williams: And there are no fish. However we do have 123 executives in that department. As we transfer and divest the responsibilities, the proposal does not call for any decrease in the number of executives. We have to get this straight. We start cutting at the top before we get down to the bottom.

We have talked about the other place that spends a lot of money. I see the estimates are going to give them even more money this coming year. It is a small increase but nonetheless it intends to spend more money in that other place. We have said to start at the top. Start with MPs' pensions. Start with the House of Commons, the Senate and so on.

• (1030)

There are a lot of unemployed people in this country. We need to help people create jobs and we find that $427 million is going to be spent on our Canadian identity. We would much rather spend this kind of money creating private sector jobs and reducing taxes than spending it to protect our Canadian identity that in many cases has withered away through the multicultural programs that we spend hundreds of millions of dollars on.

Last fall the President of the Treasury Board said that we would have to wait until the budget was announced before he would give us a report on the money we spend on special interest groups. I did not hear anything in the budget yesterday about special interest groups. Another half a billion dollars of government money is being wasted. We could have cut in that area rather than cutting back on the core social programs.

We have a bad record on megaprojects. The Lloydminister heavy oil upgrader cost over $500 million and was supposed to be a great deal. We bailed out of that a couple of months ago and sold our $500 million interest for $42 million. Not good business. With the Regina heavy oil upgrader we walked away from our loan guarantee at a cost of $125 million. Hibernia, the biggest one, is now going to cost $5.8 billion. This government is going to put in $3.6 billion, 62 per cent of the cost and we are going to have 8.5 per cent of the equity.

We have major problems in the way this government runs the finances of this country. When we go through these estimates we are going to find many things. We are going to tell Canadians about the waste, the mismanagement, the protection of jobs at the top and the elimination of jobs at the bottom. We have to tell Canadians what this government is doing. Over the next few months we will be raising these questions at committee.

REFERENCE TO STANDING COMMITTEES

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, pursuant to Standing Orders 81(4) and 81(6), I move:

That the main estimates for the fiscal year ending March 31, 1996 laid upon the table on February 28, 1995 be referred to the several standing committees of the House as follows:

Since the list is rather lengthy, I would ask that it be printed in *Hansard* at this point without being read.

The Acting Speaker (Mr. Kilger): Is it agreed?

Some hon. members: Agreed.

[*Editor's note: List referred to above is as follows:*]

To the Standing Committee on Indian Affairs and Nothern Development
Indian Affairs and Nothern Development, Votes 1, 5, 10, 15, L20, L25, L30, 35, 40, 45, 50 and 55

To the Standing Committee on Agriculture and Agri-Food
Agriculture and Agri-Food, Votes 1, 5, 10, 15 and 20

To the Standing Committee on Canadian Heritage
Canadian Heritage, Votes 1, 5, 10, 15, L20, 25, 30, 35, 40, 45, 50, 55, 60, 65, 70, 75, 80, 85, 90, 95, 100, 105, 110, 115, 120, 125, 130, 135, 145 and 150

To the Standing Committee on Government Operations
Canadian Heritage, Vote 140
Governor General, Vote 1
Parliament, Vote 1
Privy Council, Votes 1, 5, 10 and 35
Public Works and Government Services, Votes 1, 5, 10, 15, 20, 25, 30, 35 and 40
Treasury Board, Votes 1, 5, 10 and 15

To the Standing Committee on Natural Resources
Natural Resources, Votes 1, 5, 10, L15, 20, 25, 30, 35, 40, 45 and 50

To the Standing Committee on Environment and Sustainable Development
Environment, Votes 1, 5 and 10
Privy Council, Vote 30

To the Standing Committee on Foreign Affairs and International Trade
Foreign Affairs, Votes 1, 5, 10, 15, 20, L25, L30, 35, 40 and 45
Public Works and Government Services, Vote 45

To the Standing Committee on Finance
Finance, Votes 1, 5, L10, L15, L20, 25, L30, 40 and 55
National Revenue, Votes 1, 5 and 10

To the Standing Committee on Fisheries and Oceans
Fisheries and Oceans, Votes 1, 5 and 10

To the Standing Committee on Health
Health, Votes 1, 5, 10, 15, 20, 25 and 30

To the Standing Committee on Human Rights and the Status of Disabled Persons
Justice, Vote 15

To the Standing Committee on Industry
Atlantic Canada Opportunities Agency, Votes 1, 5 and 10
Finance, Votes 45 and 50
Industry, Votes 1, 5, 10, L15, L20, 25, 30, 35, 40, 45, 50, 55, 60, 65, 70, 75, 80, 85, 90, 95, 100 and 105
Western Economic Diversification, Votes 1 and 5

To the Standing Committee on Justice and Legal Affairs
Justice, Votes 1, 5, 10, 20, 25, 30, 35, 40 and 45
Privy Council, Vote 40
Solicitor General, Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45 and 50

To the Standing Committee on Human Resources Development
Human Resources Development, Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45* and 50

To the Standing Committee on Procedure and House Affairs
Parliament, Vote 5
Privy Council, Vote 20

To the Standing Committee on National Defence and Veterans Affairs
National Defence, Votes 1, 5, 10, 15 and 20
Veterans Affairs, Votes 1, 5, 10, 15 and 20

To the Standing Committee on Public Accounts
Finance, Vote 35

To the Standing Committee on Transport
Privy Council, Vote 15
Transport, Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45 and 50

To the Standing Joint Committee on Official Languages
Privy Council, Vote 25

To the Standing Committee on Citizenship and Immigration
Citizenship and Immigration, Votes 1, 5, 10 and 15

To the Standing Joint Committee on Library of Parliament
Parliament, Vote 10

(Motion agreed to.)

* * *

PETITIONS

DANGEROUS OFFENDERS

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, I rise before this House once again to present the 17th petition in this course of action undertaken on behalf of constituents who wish to halt the early release from prison of Robert Paul Thompson. April 11, 1995 is the date set for the parole hearing.

The petitioners I represent are concerned about making our streets safer for our citizens. They are opposed to the current practice of early release of violent offenders prior to serving the full extent of their sentences.

The petitioners pray that our streets will be made safer for law-abiding citizens and the families of victims of convicted murderers.

• (1035)

HUMAN RIGHTS

Mrs. Rose-Marie Ur (Lambton—Middlesex, Lib.): Mr. Speaker, I wish to table a petition signed by constituents of Lambton—Middlesex and duly certified by the clerk of petitions, pursuant to Standing Order 36.

The petitioners pray and request that Parliament not amend the Criminal Code as proposed in Bill C-41, the human rights code, the Canadian Human Rights Act or the charter of rights and freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality by including the undefined phrase of sexual orientation.

GUN CONTROL

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, pursuant to Standing Order 36, I have the honour on behalf of constituents of Vegreville to table three petitions in the House today.

In the first petition the petitioners request Parliament to support laws which will severely punish all violent criminals who use weapons in the commission of a crime. They also request Parliament to support new Criminal Code firearms control provisions which recognize and protect the rights of law-abiding citizens to own and use recreational firearms. They request Parliament to support legislation which will repeal and modify existing gun control laws which have not improved public safety or have proven not to be cost effective or have proven to be overly complex so as to be ineffective or unenforceable.

I present this petition on behalf of my constituent, Stan Chevraux, and the people who signed the petition.

THE FAMILY

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, in the second petition, the petitioners request Parliament to oppose any legislation that would directly or indirectly redefine the family, including the provision of marriage and family benefits to those who are not family with family being defined as those individuals related by ties of blood, marriage or adoption, where marriage is the legal union of a man and a woman.

HUMAN RIGHTS

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, in the third petition, the petitioners pray and request Parliament not amend the Canadian Human Rights Act or the charter of rights and freedoms in any way which would tend to indicate societal approval of same sex relationships or of homosexuality. This includes not amending the Canadian Human Rights Act to include in the prohibited grounds for discrimination the undefined phrase of sexual orientation.

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, I present a petition today signed by 30 people, 21 from my constituency.

Although the petitioners and I do not have the same beliefs, I present to Parliament today on their behalf a petition that calls upon Parliament to amend the Canadian Human Rights Act to prohibit discrimination on the basis of sexual orientation.

I believe in complete equality with no special status to any group.

TAXATION

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, it is my pleasure to present to this House a petition containing approximately 3,900 signatures.

The petition is almost presented late because the petitioners pray and request that Parliament reduce government spending instead of increasing taxes and implement a taxpayer protection act to limit federal spending.

It is interesting that out of an area population in the town of Golden which only has 2,371 households, four women went around and collected 2,500 of the 3,900 signatures on this petition. There was a tremendous amount of pressure on the government. The reason I say it is almost presented late is that unfortunately, although the tax increases were limited, they were nonetheless there.

ASSISTED SUICIDE

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, pursuant to Standing Order 36, I am pleased to

present two petitions today. The first petition was circulated by Mrs. Barbara Gobbi of my riding of Prince George—Bulkley Valley and contains a number of names.

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

I am pleased to say that I personally support this petition.

RIGHTS OF THE UNBORN

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, the second petition was also circulated by Mrs. Barbara Gobbi of Prince George and contains a number of names.

The petitioners humbly pray that Parliament enact legislation which will protect the unborn children of this country. The petitioners humbly pray and call upon Parliament to do so.

Here again I personally support this petition.

• (1040)

GUN CONTROL

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, I am pleased to present two petitions, both on the subject of firearms control.

The first petition asks that Parliament support laws that will severely punish all violent criminals who use weapons in the commission of a crime. It also asks to support new legislation that recognizes and protects the rights of law-abiding citizens. It further asks that legislation be supported that will repeal and modify existing gun controls which have not improved public safety or have proven not to be cost effective.

The second petition on the same general subject area asks Parliament not to enact any further firearms control legislation, regulations or orders in council.

TAXATION

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, I have the honour of presenting four petitions today on behalf of the citizens in my riding of Calgary North.

The first petition is asking this government not to increase taxes. The citizens who signed this petition feel they are already overburdened with taxes and are asking that the burden not be increased.

ASSISTED SUICIDE

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, the second petition is from people in Calgary North. They ask that the government not change the Criminal Code to allow assisted suicide.

SPOUSAL BENEFITS

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, in the third petition citizens are saying no to spousal benefits being extended to same sex couples.

HUMAN RIGHTS

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, in the last petition, 105 citizens of Calgary North protest the inclusion of sexual orientation as a prohibited ground of discrimination in the charter of rights.

I am pleased to say that I will be representing my constituents' views on these issues to this House over the coming months.

TAXATION

Ms. Roseanne Skoke (Central Nova, Lib.): Mr. Speaker, I have three petitions pursuant to Standing Order 36. On behalf of 72 constituents in Nova Scotia and New Brunswick, I wish to table a petition with respect to the subject matter of GST and income tax.

ASSISTED SUICIDE

Ms. Roseanne Skoke (Central Nova, Lib.): Mr. Speaker, the second petition is presented on behalf of 26 constituents of Digby county, Nova Scotia.

The petitioners pray that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law that would sanction or allow the aiding or abetting of suicide or any activity designed to terminate human life.

I concur with this petition.

HUMAN RIGHTS

Ms. Roseanne Skoke (Central Nova, Lib.): Mr. Speaker, the third petition contains 107 signatures. Twenty-five signatures are from Edmonton, Alberta and 82 signatures are from Nova Scotia, including Digby county.

The petitioners pray and request that Parliament not amend the human rights code, the Canadian Human Rights Act or the charter of rights and freedoms in any way that would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase of sexual orientation.

I concur with this petition.

GUN CONTROL

Mr. John O'Reilly (Victoria—Haliburton, Lib.): Mr. Speaker, pursuant to Standing Order 36 it is with great pleasure that I rise today to present a petition signed by 1,025 people from such places as Minden, Haliburton, Eagle Lake, Wilberforce and Bobcaygeon in the riding of Victoria—Haliburton.

It draws the attention of the House of Commons to gun control. It asks Parliament not to pass into law any of the government action plans for firearms control which deal with the registration and prohibition of firearms and to find other and better means to reduce the incidence of violent crime in Canada.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, I rise on a point of order with respect to Question No. 93, which I tabled in this House on October 19. There are two parts to this question. Not only did it take three months to get a response, but, when I finally got it, last Friday, it was only half an answer. I am still awaiting the other half.

What I got was a short paragraph of two lines telling me to go and find it myself. The response was: "Look it up yourself". I went, in fact, to see for myself. What is in the library is a sort of dog's breakfast. Moreover, it is not even up to date. My question concerned federal government properties in Quebec in 1994, and the information I had to look for dated back a number of years.

• (1045)

I wonder how such flagrant disregard for the rules of this House is tolerated. How is it such long delays are permitted? How is it possible to provide incomplete answers and abuse members' privileges? Is this the result of budget cuts or is this another attempt to deny us access to information? Is silence the watchword?

I want information and I cannot get it.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the hon. member for Québec–Est has raised this question on several occasions, too often, I must say.

He got a good answer. On Friday, I tabled in the House a 1,450 page answer to his question. Apparently, he has not read it all.

As for the second part of his question, those 1,450 pages contained the answer. It is as follows: "The Minister of Public Works and Government Services has not identified any riding in particular. However we have a copy of the 1992 real property holdings directory, which includes a list of federal real property in the province of Quebec and the rest of Canada and can be obtained from the Library of Parliament or through a member of Parliament".

This information is available to anyone. It can be obtained from the Library of Parliament. There is no need to prepare an answer to be tabled here in the House when a copy of the same information is available at the Library just down the hall.

The hon. member can go there himself; there is no need to table such a document here in the House given the expense entailed in making copies.

Mr. Loubier: Oh, oh.

Mr. Milliken: As the opposition finance critic, the hon. member for Saint–Hyacinthe—Bagot should bear in mind the costs—

The Acting Speaker (Mr. Kilger): Order, please. I heard the parliamentary secretary's answer. Let us now get on with the other questions.

[*English*]

Mr. Milliken): Mr. Speaker, I wanted to answer the point of order first.

Question No. 116 will be answered today.

[*Text*]

Question No. 116—**Mr. Cummins:**

With regard to Dr. Paul LeBlond, Joe Scrimger and David Brander–Smith (members of the Fraser River Sockeye Public Review Board inquiring into the government's management and enforcement on the Fraser River), (*a*) what benefit or remuneration did Paul LeBlond receive from the Departments of Fisheries and Oceans, Environment and Transport from the more than $1 million in contracts received by Seaconsult Marine Research Limited since 1984, (*b*) what benefit or remuneration did Paul LeBlond receive as a member of the fisheries and oceans Fisheries Resource Conservation Council, (*c*) what reports has Paul LeBlond undertaken on behalf of the government in addition to the demanning of lighthouses and cancellation of weatherships, (*d*) what submissions or proposals have been submitted to the Department of Fisheries and Oceans and its Institute of Ocean Sciences by Joe Scrimger in 1993 or 1994 and (*e*) what remuneration did David Brander–Smith receive as director of the advisory board for fisheries and oceans Institute of Ocean Sciences and what recommendations and advice has the board given during his term as a member of the board?

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): I am informed as follows:

(a) The Departments of Fisheries and Oceans, Environment and Transport have no information on this subject.

The financial information requested is privy to the company, Seaconsult Marine Research Limited, and the parties contracted by them, and therefore the company or Dr. LeBlond should be approached directly for any clarification of these details.

(b), (c) and (d) The information requested can be found in the answer to Question No. 85 tabled February 24, 1995.

Please note that Dr. LeBlond has also assisted Natural Sciences and Engineering Research Council of Canada (NSERC) staff to provide input into a Department of Fisheries and Oceans survey on the use of research platforms by co–ordi-

nating input from the university research community. These activities were not remunerated; they were done voluntarily.

(e) The director's advisory board for the fisheries and oceans Institute of Ocean Sciences (IOS) was established in 1991, at which time David Brander–Smith was appointed chairperson. The board has conducted an extensive review of IOS programs, defined core programs, and assisted the director with prioritization of the program and development of information exchange with stakeholders. Recently, the board has been active in providing advice on coping with program reduction strategies and budget reductions. The board is composed of individuals from commercial, recreational and native fishing interests, university, other government, environmental and oil and gas sector representatives. The objective of this board is to provide a vehicle for allowing stakeholders an opportunity to input to the development and direction of the department's ocean science program. During the time that Dr. Brander–Smith was chairperson, November 1991 to November 1994, the board provided advice in the following key areas:

Program priority determination for the institute stressing the identification of scientific excellence and productivity, separating core activities from other activities, as well as how well programs address key priorities;

Development of a strategy and implementation of a critical program review (peer review/client review) of IOS;

The need for an external scientific review of programs;

Identification of key IOS clients and contacts and intensified consultation with those clients seeking feedback on client perceptions and needs, and identifying ways of improving service and developing more formal information sharing arrangements;

Development of a communications program aimed at sharing information on program activities with clients, the public and within and between government departments;

Strengthening IOS use of partnerships and networks for co–operation, information sharing and communication; and

Placing high priority on initiatives to encourage efficiency and effectiveness, as well as developing innovative sources of funding.

The remuneration portion of this question has been answered in the response to Question No. 85 tabled February 24, 1995.

[*English*]

The Acting Speaker (Mr. Kilger): The question as enumerated by the parliamentary secretary has been answered.

Mr. Milliken: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

The Acting Speaker (Mr. Kilger): Shall the remaining questions stand?

Some hon. members: Agreed.

The Acting Speaker (Mr. Kilger): I wish to inform the House that pursuant to Standing Order 33, because of the ministerial statement, Government Orders will be extended by 22 minutes.

GOVERNMENT ORDERS

[*Translation*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from February 27 consideration of the motion that this House approves in general the budgetary policy of the government.

Mr. Yvan Loubier (Saint–Hyacinthe—Bagot, BQ): Mr. Speaker, I am pleased to rise again today, the day after the budget, to state the official opposition's views on the budget brought down yesterday by the Canadian Minister of Finance.

The budget before us consists of the usual downloading of the deficit by the federal government onto the provinces, which harms not only the very poor, persons on social assistance, the unemployed, students and senior citizens but also, as of next year, will also harm all Quebec and Canadian taxpayers, all the while— and this is the most unacceptable part—sparing big business, banks which are given a further reprieve, notwithstanding a minimal increase in the taxes they must pay this year.

Businesses and banks benefit from federal tax breaks as well as from the government's subsidies while everyone everywhere, the provinces, the most destitute people, taxpayers, as of 1996, will pay more and more for the laxness and incompetence of this government.

• (1050)

This budget entails first of all a decentralization of the federal deficit, a decentralization of the federal bill starting with cuts in federal transfers for post–secondary education, health and welfare.

This government is definitely proceeding in an underhanded, harmful way in 1995. There will be no cuts in 1995. It is easy to see why, this is the referendum year. There will be no cuts so Quebecers will be led to believe that this government is doing a

fine job. Because it is the referendum year, the true picture is not being given; they hide the extent of this government's failure in 1995. But as of 1996, look out, then we will feel it, then it will start to hurt. The Minister of Finance is asking us to go above and beyond tightening our belts, he is asking us to tighten them to the last notch and to avoid taking deep breaths.

In 1995, the federal axe is going to lop $2.5 billion off of federal transfer payments to the provinces; in this year, Quebec alone will be hit by a drop of over $700 million in transfer payments. Worse yet, with the referendum campaign safely behind them, the federal government will cut $4.5 billion in transfer payments in 1997; for Quebec alone this will mean a drop of approximately $1 billion.

Where are we going to get the money to make up this shortfall? There is only one taxpayer in Canada and Quebec, and he or she will have to absorb this shortfall. The tax hikes in this budget which purportedly contains no tax hikes are hidden, deferred and devious. And the provinces are forced to swallow the bitter pill.

The Minister of Finance does not talk about what will happen after 1997–98. But we know what he has up his sleeve, because year after year—and he is carefully hiding this from Quebecers in this referendum year—his government will remain as voracious, as money hungry and spendthrift when it comes to public funds as it is at present in a structure that is out of sync with Quebec's and Canada's socio–economic realities. Time and time again, taxpayers end up footing the bill for the Minister of Finance's lax approach and downloading to the provinces.

Quebecers will ultimately pay and will continue to pay because, what is left unsaid, what the federal government does not want to advertise, is that, although it downloads $7 billion in transfer payments up–front, the federal machine remains the same.

Have any departments been abolished? No. We will still be stuck with the Department of Health, the Department of Human Resources Development and all other departments that cause duplication and overlap, for which the Minister of Finance is proposing to stiff the provinces with the bill. The tax bill that Quebecers and Canadians will have to pay in the next few years will actually increase, despite the downloading of part of the deficit onto the provinces. Quebecers, Ontarians and everyone in the country will pay more because the federal government has given up some of its financial responsibilities.

What this amounts to is that, as of next year, Quebec taxpayers—because I am addressing them in particular today—will pay dearly in the year following the referendum. They will pay dearly if they do not create a real country, a normal country, a country which will assume total control for its public finances and will take the measures needed for recovery, a country totally committed to the plan, instead of a government that slowly demolishes its plan by arbitrary decisions, such as arbitrary cuts to transfer payments.

Quebecers will pay dearly if they do not make the choice this year that is in their best interests, which is sovereignty, a choice in favour of efficient budgeting and resource allocation. The situation is being hidden from them.

• (1055)

Nor are they being told that in 1997–98, despite all of their sacrifices and all of the tax hikes they were subjected to at the hands of the Quebec or federal government, the federal debt will still be $625 billion. Moody's has the federal government's rating under review because of the size of the debt in the mid–term and the government's lack of control over the situation.

The decision Quebecers must make is becoming increasingly clear, and became even clearer yesterday. Staying within the federal fold in the years to come pretty much boils down to this: fewer and fewer federal services and benefits; more and more offloading of deficit problems onto the provinces, which will ultimately result in tax hikes, because it is the same taxpayer; more bad news year after year; a reduction in the Quebec government's ability to do something about job creation, to put in place a plan to revitalize the economy, bring about more jobs and growth in all regions of Quebec, because we do not know what will hit us next with federal decisions. This is the scenario in 1996 if we stick with the status quo and stay in the federal fold.

Quebecers have a choice to make, a choice that will be instrumental in encouraging economic growth and employment and putting an end to the slump for which the federal government is to blame.

Not only is the Minister of Finance offloading his responsibilities onto the provinces, but he is still taking aim at his favourite targets in a feeble attempt to improve the state of Canada's finances. These targets are students, those on social assistance, the ill and the unemployed. He is still targetting the unemployed, as if they had not already paid enough since this government came to power, since this government broke its promise to help them and create jobs.

Already this year the Minister of Finance planned to cut unemployment insurance by $2.4 billion. Next year, he was going to cut another $2.4 billion, and now he has added a further 10 per cent cut, to the tune of $1.5 billion, on top of the billions in cuts already announced. Is this a pro–employment position? Is this the concern for the neediest members of our society that the red book promised? The famous red book that we heard about for months on end and that they have now forgotten.

All the talk about creating jobs does not square with what we see in this budget. As far as job creation is concerned, the only program set up resulted in precious few jobs, 45,000 temporary jobs was the figure mentioned, and yesterday the Minister of

Finance decided to cut the $200 million remaining in the program. Jobs, jobs, jobs—is this what they meant?

My colleague from Rosemont pointed out to me this morning that the government's forecasts show unemployment in Canada holding steady at about 9.5 per cent over the next few years. The government has deliberately, for these forecasts are produced by the government, forgotten all about job creation. It even goes so far as to predict that unemployment will settle at around 9.5 per cent over the next few years. Do you know what that means for Quebec? It means an unemployment rate of 11 per cent that will not change as long as we stay with the status quo.

We went over the budget carefully and found a lot of things, one of the more astonishing being that this record unemployment rate will be achieved and maintained without any increase in productivity. And a good thing, or maybe not. If there had been an increase in the productivity forecast for the next few years, the unemployment rate would probably climb to 13 or 14 per cent in Quebec and in Canada.

• (1100)

At the same time, we must be increasingly productive, improve our performance, for with the globalization of trade, the new GATT agreement and the World Trade Organization, this will be essential if we want to hold our own and capture a greater share of international markets. But the Minister of Finance does not forecast any increases in productivity.

This budget is already bad news in terms of employment, especially since the Minister of Finance tells us in his projections that in the next three years and even after that—his projections stop after a while because he is certain that we will realize how bad things are in Canada—, the unemployment rate in Canada will stay 4 per cent higher than in the U.S.

By conscientiously basing his projections on such data and turning his back on measures to promote long term jobs, the minister spells disaster. While the minister picks on the provinces by shifting onto them the burden of these odious large scale tax reforms, while he picks on students, welfare recipients, sick people and perhaps seniors—he is now putting in place a committee to review all old age security programs—, this government is maintaining undue privileges for big business and the very wealthy.

As far as business is concerned, the Minister of Finance took the trouble to denounce business subsidies in one paragraph, saying that these subsidies distort competition and that they no longer have their place in the new international order, that they result in unfair competition among nearby businesses, or at least among Canadian businesses. He strongly denounces these subsidies and then what does he do? He cuts these subsidies by 60 per cent over three years when, in the opinion of the Quebec employers council, headed by Ghislain Dufour, who is certainly no lefty, he should have eliminated these subsidies completely and quickly. Although he agrees with this analysis, the Minister of Finance will maintain $1.5 billion's worth of direct business subsidies in 1997.

By then, the government will have cut social housing by more than $307 million. What compassion, what social conscience from this government, which talks about jobs, jobs, jobs, about the most disadvantaged, whose rhetoric is worthy of that of the NDP in its good years, but which, in fact, is worse than the Tories, if not very close to the Reform Party.

If at least the Minister of Finance and his government had been smart enough to slash half of the $3.8 billion in subsidies now available to business and redistribute this amount equitably among R&D efforts in Canada to improve business competitiveness and social housing, we would have understood and applauded this better distribution of resources. Instead, not only does he maintain large direct subsidies, but he also slashes social housing and pursues the shameful reforms he started last year.

The same goes for tax reform; preferential treatment is left untouched. In 1991, several thousands of big businesses did not pay a single cent in tax to the federal government, thus depriving the federal treasury of hundreds of millions, if not billions of dollars in lost revenue. These thousands of big businesses, which still make profits despite the downturns in the economy since 1990, will continue to avoid paying their fair share of taxes. There is nothing in this budget which resembles a minimum tax, precisely so that these large businesses can still enjoy all kinds of roundabout ways to avoid paying their fair share.

As far as tax agreements are concerned, as the Auditor General himself pointed out and as we have been saying for a year and a half, there are now 16 countries considered to be tax havens, which help those businesses refusing to do their corporate duty and pay their fair share to the federal treasury. These tax havens help such businesses divert hundreds of millions of dollars by reporting fictitious losses by phoney businesses and deducting them from revenues, thus diverting money from the federal treasury.

• (1105)

No changes were made to those tax havens. Quebecers and Canadians are asked to tighten their belts to the last notch, but nothing is done about such outrageous things. Do you not find anything wrong with that picture? I know you cannot answer, Mr. Speaker, but there is something wrong.

Yesterday, the finance minister—I do not know whether he had a horn to honk but he should have had one on hand—said that businesses, big businesses in particular, were contributing

more in terms of taxation and that banks were finally going to be paying taxes to the federal government.

As regards banks, the poor banks, over the next two years, the minister plans to impose a temporary tax, not a permanent one, on them to appease public pressure. Because the public was saying: "We pay. Since 1984, that is all we have been doing: pay, pay, pay. We undergo cut after cut, while banks make profits and pay no taxes".

To respond to this public pressure and give the impression that social justice matters to him, the Minister of Finance plans, over the next two years, to collect a whopping $100 million from them. One hundred million dollars from all Canadian banks. Just to give you an idea of the order of magnitude here, the Royal Bank of Canada, this small bank, generated a record $1.2 billion profit this year. How much we will collect from this bank over two years? No wonder that interest rates went down slightly today. You scratch my back and I will scratch yours.

Where businesses in general are concerned, the Minister of Finance said that they will be contributing to put our public finances on a healthy footing. See how they will do so. Through a 1.5 per cent tax increase. Since businesses already pay $18 billion to the federal taxman, this will bring their contribution to approximately 17 or 18 per cent of the tax pie. The money filling the federal coffers really comes from the taxpayers.

The business sector will pay an additional $260 million in 1995–96, $270 million in 1996–97 and $280 million in 1997–98. The amount was indexed to give the impression that it had actually increased. Did you know that not only this effort represents a 1.5 per cent increase in the "tax burden" because businesses may seek ways to avoid paying it, but it is ten times less than the effort asked from the unemployed this year. Ten times less. And they tell us it is fair. There is something very wrong with this government. It is not the first time I tell you this, but I do think it is profoundly unfortunate. It makes me very uneasy.

The same deceitful practice, or just about, was applied to tax treaties. The Minister of Finance said he was acting on a request from the official opposition. Yesterday, the finance minister literally laughed in our faces. He laughed in our faces because he is not planning to eliminate the unjustified privileges enjoyed by the wealthiest of Canadian families—I am referring to family trusts—until 1999.

This reminds me of the story of the police officer who gives thieves two hours notice that he will be coming over to arrest them. By 1999, some family trusts, not all, because we never said all family trusts were bad, but those used as powerful tax planning instruments by wealthy Canadian families, will have been transferred in other instruments, instruments that the minister has left untouched in this budget. Any tax that should have been recovered on the capital gains made on these trusts every year will be lost. In coming up with such things, the minister is laughing in our faces.

• (1110)

As for duplication and squandering, it will continue. It will continue because the federal government is not withdrawing from areas of provincial responsibility. The Minister of Intergovernmental Affairs himself indicated that the federal government would continue to have its say in all areas of provincial jurisdiction. It will continue to pry into these areas, while at the same time contributing less and less.

Duplication and overlap will continue because, as I mentioned earlier, those federal departments where there is a problem will remain. When has a department ever been dismantled? Never. How can one say that duplication and jurisdictional overlap will be reduced and that the federal system is undergoing a major overhaul when nothing has changed?

This brings me to these wild layoffs in the Public Service. There are two ways to trim an organization that is too fat, which is what the federal public service is, in the opinion of the official opposition. There are two ways to streamline: the good one and the bad one.

This government is going about it all wrong. I can still see the Minister of Intergovernmental Affairs—I could have cried when I saw him—sitting comfortably at his desk, typing away on his computer, deciding how many jobs to cut in each federal department and crown corporation. Not for a moment did he did think of going to talk with those concerned. Not for a moment did the minister think that behind these figures on his computers there were real people. Not for a moment did he stop and think that these people have duly elected union reps, representatives from the Public Service Alliance of Canada, with whom he could have got together to discuss his plans.

It is obvious that the public service needs to be restructured. It is obvious that it is too large. It is obvious that manpower reductions are required, but there is no need to make wild, inhumane cuts, as contemplated by the Minister of Intergovernmental Affairs, and without any guarantees. There are no guarantees.

Who says that laying off 45,000 people will result in gains, in terms of effectiveness? Who says that the low morale in the organization will not affect services to the public? What guarantee do we have, and this is important, that the Liberals across the floor, who are prone to patronage appointments, will not favour their friends by contracting work out to them? This happened in the past. Yet, there is no guarantee that it will not happen again. There is only a risk that the indiscriminate lay–offs which are

taking place will result in a need to contract work out and that, instead of saving money, the federal government will end up spending more than ever before. That is also something which happened in the past.

We always forget that, within the public service, there are competent and experienced people who do a good job. If you contract the work out, it often ends up costing you more because you deal with businesses whose only objective is to make a quick profit at the expense of Canadian taxpayers. Let us not forget that.

As I have said several times, when the official opposition talks about trimming the fat in the federal administration, when it says that Canada is overgoverned, it does mean that the public service is too large and that there are too many public servants. However, there is a proper way to deal with that. We do not endorse indiscriminate layoffs. Even the Public Service Alliance of Canada told us that it was prepared to discuss restructuring, provided it was properly thought out, did not merely mean cuts which will end up costing taxpayers more for fewer services provided by disheartened public servants. This is a difficult situation.

I do hope that the government will again meet with PSAC officials to discuss that issue, something which it has not done since it came to office. The first thing the government did when it took office was to stop discussing, even though it had criticized the breakdown in discussions between the previous Conservative government and the unions representing public servants. This government should sit down with the PSAC. These people have suggestions to save money. They have ideas as to how the federal administration can be streamlined in an intelligent way. The government should rely on their expertise.

As regards agriculture, yesterday the minister avoided the real issues. He did not want to stir up old controversies.

• (1115)

I remember one such controversy in 1982, when there was talk of amending the Crow's Nest Pass agreement. Back then, I noted that there was a very real conflict between the interests of western cattlemen or beef producers, which even differed from those of their fellow grain producers, but which were mainly at odds with those of easterners, particularly Quebecers.

In his budget, the minister eliminates the $560–million subsidy for grain transportation to railroads in the Prairies. However, to make up for that loss, the minister will give western producers, based on their cultivated acreage, $1.6 billion to compensate the alleged loss of land value in the West. However, the Minister of Finance and the Minister of Agriculture both forgot that the Crow's Nest subsidy created a healthy balance in Canadian agricultural production. Indeed, while western farmers concentrated on grain production and enjoyed subsidized transportation of their products, livestock breeding developed in the East, particularly the dairy and pork industries.

If you break that balance by eliminating the Crow's Nest subsidy, and if you give compensation for the alleged loss of value of western lands, you overlook an important element, namely the impact of such a measure on eastern producers.

Nowhere in the budget speech is there any mention of compensation for eastern producers, particularly Quebec producers, who will also suffer. Doubly so. Indeed, not only will western producers get a $1.6–billion subsidy to adjust, but they will also be able to use that federal money, 25 per cent of which comes from Quebec, to compete with Quebec livestock breeders. Is that the federal government's idea of fairness? Is that the nice balance between the East and the West? Things do not work that way.

Moreover, western producers will get a loan guarantee of one billion dollars, plus $300 million to adjust to the new situation. They will receive $3 billion to make up for the loss of the $560–million Crow's Nest subsidy. There is something very wrong right there. It is unfair to use federal moneys, 25 per cent of which is comes from Quebec, to support the competition from out west on our own markets.

While the West will get $3 billion, Quebec will lose $30 million because the Budget provides for a 30 per cent reduction in dairy subsidies to eastern producers, which will affect industrial milk, cheese, yogurt, ice cream and the rest. Fifty per cent of the dairy products we consume are produced in Quebec. So the government gives $3 billion to the West and takes $30 million away from dairy producers in Quebec. Is that fair? Is that how the government wants farmers in Eastern and Western Canada to help put public finances back on track?

Mr. Speaker, fair is certainly not the word here. As for dairy producers, this merely adds to existing pressures, because we should remember that during the past two years, under the new World Trade Organization agreements, dairy producers in Canada and Quebec have had to face increased competition. They lost one of the basic pillars of the dairy production system, referred to as Article XI. Since that time, competition has increased steadily, as the tariffs that replace protection at the border under Article XI go down and foreign products are allowed to compete with Quebec and Canadian dairy products.

And now, the government is asking them to tighten their belts even more. Yesterday, Laurent Pellerin, president of the UPA, said that farm producers were prepared to do their fair share, but this was too much. This was absurd.

I would also like to comment briefly on the international assistance envelope.

• (1120)

Time and time again, when the members of this government were in the official opposition, they condemned the Conservative position on international assistance. Time and time again, the Minister of Finance—who was not Minister of Finance at the time—and the present Prime Minister expressed their outrage because the Conservatives were cutting international aid. What they are doing is far worse.

The Budget brought down yesterday by the Minister of Finance provides cuts totalling $532 million in international assistance, thus exacerbating a situation where Canada is already reluctant to reach a helping hand out to the neediest international communities. When we talk about the neediest, we are talking about millions of children who are dying every day.

It exacerbates a situation that was already criticized under the Conservatives, and the cuts in international assistance continue. Not only is this government utterly lacking in compassion for the neediest in Canada and Quebec, it is even more so in the case of children who are dying daily throughout the world.

And now for National Defence. Another area where everyone has to do his fair share. The minister says the government will close the base at Saint–Hubert, in Quebec, and will cut back staff and reduce infrastructures in Bagotville, also in Quebec. His own analyst at National Defence believes that, in Quebec, the expenditures by the Department are short by some $650 million, on average. Six hundred and fifty million dollars. This is the minimum figure.

Year in and year out, despite the size of the population in Quebec and the significance of tax contributions—Quebecers pay $30 billion in income and other taxes into the federal coffers, we are not talking about gifts here—despite all that, defence department spending in Quebec is short annually by a minimum of $650 million.

In addition, even though Quebec has roughly 24 per cent of the population and contributes 23.5 or 24 per cent of the federal tax base, only 15 per cent of national defence infrastructures are located there. A highly disproportionate amount compared to the demographic weight and the tax contributions of Quebecers.

Despite all of this, we are told that everyone has to make an effort. We have been streamlining for years, we have been paying for it for years. In Quebec, we have had our fill of paying for it. When they say that everyone has to pay for it, they should have a look and see what we have already paid without getting our share in Quebec of the annual expenditures and investments by the Department of National Defence. They should have thought twice before they did it. Quebecers will remember because we will constantly remind them of it.

This budget is hypocritical, as I have already pointed out, because the truth has been kept from senior citizens. They have been told that things are fine and that nothing will change within the federal plan, just when a committee is being set up—and the Leader of the Opposition raised the problem yesterday—to examine the whole problem of pensions and old age security next year. As the Leader of the Opposition and member for Lac–Saint–Jean put it so well yesterday, committees are not set up to increase pensions.

However, in 1995, a referendum year, the federalists, and the Liberal Party in particular, would lose a major argument if they tackled the seniors now—the argument that seniors' pensions would decrease if they changed governments. They did not want to do this before the referendum. They are keeping the truth from Quebec seniors just the way they are keeping it from all of the people of Quebec. And the truth is that there is no more money in the till.

The finance minister has found a way to betray the Prime Minister's promise not to raise taxes during the first two years of his mandate. Last year, his strategy of cutting the age tax credit for senior citizens brought in $500 million in extra revenues. This year, taxes on gasoline and tobacco will bring in a total of some $800 to $900 million.

• (1125)

This budget does not address the real problems or respond to people's real needs. Maybe the federal government will get away with it this time. Maybe the bond rating agencies will allow its credit rating to stand if the government appears to have public finances in hand. But these agencies will most surely have their eye on the provinces since the federal government has offloaded all of its financial problems onto the provincial governments. So regardless of whose credit rating is dropped, there will be an increase in interest rates when the time comes to refinance the debt, whether the federal debt or the provincial debt or Quebec's debt, the burden will still fall onto the same taxpayer.

This situation, this observation is deceptive. My Reform colleagues would do well to bear this in mind. Nor does this budget in any sense set a strong, solid course in regard to the accumulated national debt in the medium term, something which Moody's bond rating service has clearly pointed out. It is precisely the magnitude of the national debt which worries investors and has a major impact on interest rates, the lack of investments, the lack of significant job creation to recover from an unemployment rate hovering around 10 per cent. As of 1997, and I am warning my fellow Quebecers, more sacrifices will be imposed on them. The federal government will continue cutting and offloading, leaving the Quebec government the hateful task of increasing taxes or cutting spending on essential services.

But that will not be the end of it since this budget has resolved nothing. We will always face a monstrous debt if we do not take steps of some sort toward renewal, true structural renewal, to create a new country and breathe new life into Quebec. If this is not done, we will pay for it and go on paying.

In Quebec we have the chance to start afresh, to create our own social plan, to make an honest general effort not to be at the mercy of this government's arbitrary measures year after year which result in higher taxes any way you look at it. We can decide to extricate ourselves from this system or to keep sinking with the big federal machine.

I think that Quebecers will choose to change governments, they will opt for renewal instead of the doldrums year in, year out, with no real social plan, without hope for job creation, without hope for enrichment, other than the enrichment of the federal debt.

I would like to suggest the following amendment to the Minister of Finance's budget speech; I move:

> That the motion be amended by striking out all the words after the word "That" and substituting the following:
>
> "the House of Commons reject the government's budget which systematically offloads the federal government's financial problems onto the provinces; makes no provision whatsoever to ease the tax burden of the middle class while preserving tax loopholes for wealthy Canadians and large corporations; and completely disregards the pressing needs of the unemployed and the most disadvantaged who will bear the full brunt of additional cuts to social programs". brev

• (1130)

[*English*]

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, I rise to address the budgetary policy of the government as contained in the budget presented to the House yesterday. In doing so I wish to approach the budget not so much from the perspective of an opposition party, but more from the perspective of the people whose personal and collective interests are affected by the budget.

On behalf of Canadians, Reformers will be subjecting the budget to four major tests. The first is the employment test. Does the budget address the needs of the unemployed or underemployed in the country? The second is the social security test. Does the budget address the needs of the recipients of government services, in particular, social services? The third is the fiscal test. Does the budget meet the fiscal expectations of those putting up the money, the lenders that are being asked to put up over $30 billion to cover the government's overdraft and the long–suffering taxpayers who are asked to put up almost $120 billion a year? Finally there is a character test. Does the budget demonstrate the qualities of honesty, courage, fairness, leadership and integrity which Canadians have a right to expect from their government?

My colleagues will be applying these tests to the budget in greater detail than I, but let me give a summary of the results.

The finance minister says the budget meets the partisan goals of the Liberal red book and its timid fiscal target of getting the deficit down toward $25 billion by the year 1997. While a few observers and commentators may be gullible enough to accept the red book and the 3 per cent goal as acceptable measuring sticks, at the end of the day the vast majority of Canadians will not.

If this budget is measured against the interests of the unemployed and underemployed Canadians who want real jobs, it betrays those interests because it contains no real long term stimulus to private sector job creation.

If this budget is measured against the interests of the recipients of government services who desire real social security, it betrays those interests because it does nothing to halt the diversion of funds away from social programs into massive interest payments on a growing federal debt.

If this budget is measured against the interests of Canadians who want a solid plan for deficit elimination, it betrays those interests because it only plans to get the deficit to $24 billion by the year 1997.

If this budget is measured against the interests of the long–suffering taxpayer who wants no tax increases and spending reductions which lead to tax relief, it betrays those interests because it takes over $1 billion more per year out of the pockets of taxpayers and lays the foundations for future tax increases.

In short, when this budget is measured against the public's interests; the interests of workers, the interests of those who depend on social services, the interests of investors, lenders and taxpayers, it betrays those interests at every turn. It is a betrayal of trust of the same order as the Mulroney and Wilson budgets of 1984–85 which missed the narrow window of opportunity to balance the budget, which comes only once to a new government, never to return again.

In delivering this sad commentary, I do not wish to be unfair to the Minister of Finance, nor overly disparage his efforts to bring in a better and more honest budget. If the Minister of Finance and his department had been given more freedom and support by the Prime Minister, they might have come clean with Canadians on what deficit spending is doing to destroy social programs. They would have made the target of the budget deficit elimination, not merely deficit reduction. However, the Prime Minister discouraged such frankness and directness and the minister acquiesced.

I believe that if the Minister of Human Resources Development had not utterly failed to provide a blueprint for reforming social spending, the finance minister might have presented the

combination of real social reforms and spending reductions. The Minister of Human Resources Development both undermined and failed the Minister of Finance.

• (1135)

I believe that if the Liberal caucus did not contain so many members that cling to obsolete notions, such as the idea that government spending is stimulative, such as the idea that Canada has a revenue problem, not a spending problem; if the finance minister did not have these living millstones around his neck he might have done better.

To be fair we do not lay the blame for this budgetary betrayal of the public interest entirely on the Minister of Finance. We believe the blame should rest even more heavily on the Minister of Human Resources Development, on the soft–headed wing of the Liberal caucus and on the Prime Minister.

As a constructive contribution to this debate, my colleagues will be applying the other tests of the budget which I have already mentioned. For example, they will apply an employment test to the budget to show how it hurts, not helps, one million unemployed and over two million underemployed in the country. As a constructive alternative they will also offer Reform's 5–R jobs program which relies on deficit elimination and tax relief to stimulate long term private sector job creation.

The 5–R jobs program is based on the premise that a dollar left in the hands of a taxpayer or a consumer or an investor or a business person creates more jobs than that dollar in the hands of a bureaucrat, a lobbyist or a politician.

My colleagues will apply a social security test to the budget to show the damage it does, especially in the long run, to those dependent on the big federal social security programs: OAS, UI, established programs funding and the Canada assistance plan. As a constructive alternative we will offer Reform's vision of a more secure society through the empowerment of individuals and communities and the decentralization of social program delivery to the levels of government closest to the people.

My colleagues will show how by applying these principles we can get more social security for more Canadians out of $140 billion in combined federal and provincial social spending than the current government is going to get out of $155 billion in combined social spending. The Reform alternative to the welfare state is based on the premise that a dollar left in the hands of a mother, a father, a family, a student, a senior, a front line care worker is more productive, more conducive to social security than that dollar in the hands of a distant federal government.

Finally, my colleagues will apply fiscal tests to the budget to show how it undermines the confidence of taxpayers and lenders. As a constructive alternative they will put forward the premises and calculations of our taxpayers' budget presented on February 21 which achieves deficit elimination in three years through spending cuts alone without tax increases.

While we are extremely critical of both the character and content of the budget, in the name of workers, recipients of services, taxpayers and citizens, unlike the Bloc and others, we have a constructive alternative to offer. All of those are contained in the taxpayers' budget which we invite the media, the public and members of the House to compare and contrast with the Liberal budget.

Today I again repeat my challenge to the Prime Minister and the Minister of Finance. We want a fair, no holds barred, two on two debate; the government's budget versus the taxpayers' budget. Let us pick a night sometime in the next week or 10 days—to save money let us have it in this Chamber—but let us leave our cheering sections at home, just five people on the floor; the Prime Minister, the finance minister, myself and one of our finance critics and yourself, Mr. Speaker. Let us have only two documents on the table; the Liberal budget and the taxpayers' budget. Let the TV cameras roll and let our members, the media and the public view the exchange. Let us have a real debate and a cross–examination of the fundamental assumptions behind these two budgetary alternatives and the directions in which they lead. The issue to be decided is nothing less than which course of action will get the fiscal affairs of the federal government in order for the 21st century.

• (1140)

As I said at the beginning, one supreme test must be applied to this budget above all others. That is the character test. Does the budget demonstrate the qualities of honesty, courage, fairness, leadership and integrity which Canadians have a right to expect from their government? Again, sad to say this budget fails the character test.

In the red book the government ignored and downplayed the damage that the deficit and the debt are doing to private sector job creation and continued to insist for months that government overspending, such as through the infrastructure program, was the key to job creation. It simply lacked the courage and honesty to tell Canadians that it was high deficit, debt and tax levels which were undermining the private sector's ability to create jobs for hundreds of thousands of unemployed Canadians.

Now in the budget the government continues down the same path. It ignores, downplays, even attempts to deny and cover up the irreparable damage that government overspending, the debt and the deficit, are doing to social security programs on which so many Canadians depend.

Under the budget plan the government will add over $100 billion to the federal debt. Interest payments on the federal debt

will rise to over $50 billion a year, or almost one-third of the federal budget by the end of this Parliament.

Diverting taxpayers' dollars into paying $50 billion a year in interest diverts billions of dollars directly away from spending on all other government programs, in particular social spending, since social spending is the largest part of the federal spending program.

In other words, the greatest and most real threat to social programs in Canada is not supposed and imaginary attacks by fiscal reformers, it is the chronic, unrelenting, systematic failure of a Liberal government to get the deficit to zero as quickly as possible.

Until I see an addendum to the budget that clearly projects the impact of rising debt and interest costs on social spending, the impact on seniors, on people on social assistance, on people dependent on the federal government for health care, the budget is lacking in honesty and courage. It is a cowardly and dishonest budget that fails the character test at the point where it is most needed.

This brings me to the equally important character traits of fairness and leadership. The finance minister calls for Canadians to make sacrifices in order to reduce overspending and the deficit. The budget signals future cuts, for example, in unemployment benefits, seniors' benefits, and cuts to social transfers to the provinces. He insists that the spending cuts and tax increases he will impose are guided by fairness.

As the minister has said, however, the devil is in the details. Fairness and leadership call for those at the top of the government to make the first and most visible sacrifice. For this Parliament and this government that means relinquishing the gold plated MPs' pension plan which so many Canadians find obscene and which they regard as the cardinal example of excessive spending at the top of government.

What does the government do? A few days before the budget it brings out a slightly modified MP pension plan—we call it trough light—which still offers MPs the most generous pension plan in the country. It contains an opting out clause directed to first time MPs, but it offers millions and millions of dollars in pension benefits to senior ministers and senior backbenchers beyond the wildest dreams of ordinary Canadians. It declares this is pension reform. It declares this is equity and fairness. It declares this is real cost cutting when in fact it is not.

This failure to practice with respect to the MPs' pension plan the principles that the government espouses in the budget points to a flaw in the character of the government.

• (1145)

There is no way in which a government member can vote for the budget with its spending reductions and tax increases and vote for the gold plated MP pension plan at the same time, without undermining the integrity of the government itself. So what will it be?

It is the intention of Reform MPs to opt out of the MP pension plan. We call upon every other member of the House to do likewise. "Opt out or get out" will be the cry in the constituencies. It is a cry which must be respected if fairness and leadership by example and integrity are to be restored to Parliament and any budget it endorses.

In conclusion, some observers of the budget will say that it brings Canada one step closer to hitting the wall, one step closer to a crisis of confidence on the part of lenders that will drive the dollar through the floor, the interest rates through the roof, grind the economic recovery to a halt and begin the complete unravelling of the social safety net.

Some will say that the failure of the government to eliminate the deficit now, when the economy is in relatively good shape, will leave Canadians virtually defenceless in the face of an economic downturn.

Some will say that the cuts necessary to balance the budget, when they inevitably come, will now be much deeper and much more destructive because the government lacked the courage to act now. Only time will tell.

However, on behalf of Canadians everywhere—taxpayers, employers, employees, consumers, recipients of services and citizens—I say to the Prime Minister, to the Minister of Finance, to every member of the Liberal cabinet, to every member of the Liberal caucus and to every senior civil servant who had anything to do with the preparation of the budget: If the country hits the wall, if the country's social programs hit the wall because of what the budget failed to do, they will be held personally, professionally and politically accountable for the consequences come hell or high water.

I move:

That the amendment be amended by striking out all the words after the word "budget" and adding thereafter the following words:

"for its failure to eliminate the deficit quickly and decisively within the life of this Parliament and by asking future generations to bear the cost of fiscal irresponsibility".

Some hon. members: Hear, hear.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I enjoyed listening to the address by my leader, the hon. member for Calgary Southwest. It is the only address I have heard on the budget to this point in the House that actually made any sense.

• (1150)

We saw a budget tabled yesterday that had some tax increases and some spending cuts. However the problem I find is that our total national debt, the GDP ratio, remains unchanged. It is still

around 73 to 75 per cent, which means that we are not gaining any ground.

Yes, we are experiencing some pain as taxpayers. We are going to pay more to put gas in our cars. We are going to pay higher taxes and, yes, we are going to see some reduction in services. We are going to see it at the bottom. We are going to see 45,000 people cut from the civil service and very little cutting at the top. That means services to Canadians are going to be reduced.

We are going to see some pain. We are going to see some additional costs but we are not going to see any gain. We are not going to see any better future for our children in the long term.

Would the hon. member talk about the positive aspect of the Reform taxpayers' budget in that respect in light of the budget tabled by the minister yesterday?

Mr. Manning: Mr. Speaker, I thank the member for his intervention. He puts his finger on the core problem that has to be resolved in the House, I would hope in the course of the budget debate.

After the spending cuts that have been proposed by the minister the sad problem is that we still end up running a $25 billion deficit at the end of 1997. The federal debt is over $600 billion and the interest payments on that debt are over $50 billion.

If members would work through the consequences of those higher interest costs on the rest of the social spending, particularly the social programs, they would find that does more damage to the social services network than virtually anything that has ever been proposed by anybody in terms of spending reductions.

The taxpayers' budget we presented endeavoured to get the deficit down more quickly so that the debt stops growing and this bleeding off of social program spending through interest payments ceases.

I honestly submit to the House that if people would compare those two, the pain of the cuts to get the deficit down more quickly versus the pain that will come if nothing is done and those programs are all eroded by higher interest costs, they would find it would be more advisable, more saleable to the electorate and more acceptable to Canadians to hit the Reform target of deficit elimination in three years rather than the minister's target of cut the deficit in half by 1997.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, when the member for Calgary Southwest rose to his feet today he said that he would not be approaching the debate in a partisan way. Therefore I was rather surprised the leader of the Reform Party did not acknowledge the fact that there were no personal tax increases in the budget.

I read the Reform Party's budget. I realize that I cannot show it here because it is inappropriate. It would propose a flat tax idea. As members will know, this is something I personally believed in although I call it the single tax and it has a much more progressive design than the member is proposing.

In the proposal of the leader of the Reform Party for a flat tax it is absolutely inevitable under that system that many Canadians would pay more personal income tax. How does the leader of the Reform Party square that flat tax idea with his statement that there should be no more money taken out of the personal income tax envelope?

• (1155)

Mr. Manning: Mr. Speaker, I thank the member for his question and I will respond to it in two parts.

First, he implied that we should be thankful for the minister not increasing personal income tax. I remind the member of the fact he knows well that all these taxes come out of the pocket of the same taxpayer. Automobiles do not pay this fuel increase of 1.5 cents a litre on gasoline; people pay it. The tax increases of over a $1 billion a year in the budget are going to be paid by real people. Ordinary taxpayers do not care much about where it is coming from. They end up having to pay it.

With respect to the member's second question on the implications of flat tax on the budgetary situation and the impact on taxpayers, I say it comes back to the concern about the total tax load. If we could get spending capped and then down to the point where we could offer tax relief, which is the whole aim of the taxpayers' budget, the total tax load on Canadians under a flat tax system or any other system would be lower than it is under the current system.

Our aim is to deliver genuine tax relief second through tax reform but first through getting the spending down, which is the root cause of high taxes.

[*Translation*]

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, I have only a brief comment and a question for the leader of the Reform Party. Among the measures affecting farmers in the east contained in this budget, there is a cut of $32 million in funding for Quebec. Of course, the government has also made cuts affecting farmers in the west, for example the Crow rate, but it will also compensate farmers of that region to the tune of $2.9 billion.

This measure typifies what Quebec has a problem with in this country. Money is taken from some areas and given to others, and Quebec gets none of it. Before asking my question, I cite the energy sector in Canada and Quebec as an example of this. We have three kinds of energy: petrochemical, nuclear and electric. The government made massive investments, billions of dollars

worth, in petrochemical energy. Hibernia is an example of this. The federal government made massive investments in CANDU reactors. The federal government's cumulative investment in this project is $12 billion, of which Quebec paid 25 per cent. Nothing was ever invested in electricity in Quebec.

This is what we say. I think that what my hon. colleague meant when he said: "We're going to hit the wall quite soon", and I fully agree with him, is that he admonishes that we are on the verge of an apocalypse, and we Quebecers say that our personal apocalypse would be to stay in this system.

Can my hon. colleague tell us his point of view on the differences between how the west and Quebec are being treated?

[*English*]

Mr. Manning: Mr. Speaker, I could respond to a number of points. I thank the member for his intervention. I remind him that Quebec Hydro has paid no income taxes. Nor was Quebec Hydro ever been subject to a raid by the federal government the equivalent of the national energy program, which is one of the differences between how energy has been treated in the west and how it has been treated in Quebec.

With respect to the agricultural impacts of the budget, I have heard other comments by the member's colleagues implying that there is some unfairness in the government cancelling the Crow rate and compensating western farmers to the tune of $1.6 billion and the 30 per cent reduction on subsidies to the dairy industry, a large portion of which is in Quebec.

I remind the member that the dairy industry gets its subsidies from two sources. One is directly from the government but the other is from the high level of protection that supply management is offered. That subsidy comes directly out of the pockets of the consumer and not from the government. If we add the levels of subsidy we find the subsidization of supply managed industries in Quebec is as high or higher than the more free market grain trade and livestock trade in the west.

It is for members from the province of Quebec to consider that if Quebec is an independent country the capacity of Quebec to subsidize and protect to the degree it has in the past is gone and those farmers would be hurt infinitely more than they would be by any measure under the budget.

• (1200)

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I want to say to the leader of the third party with humour, not anything else, that if he wants to speak without props I suggest he look around here, then look around behind himself where he came to this debate fully propped for his presentation.

It gives me a great pleasure to join in the debate today, which perhaps is one of the most important times of our history, the discussion of the 1995 budget presented yesterday here in the House by the Minister of Finance.

I do not have to tell the House that it not only deals with the questions of cutbacks, with the question of some of the nitty gritty and the program review. In a fundamental way the Minister of Finance has laid out for this government and for the people of Canada how we are going to go about getting government right.

This philosophy is clear. In order to fulfil the ambitions of this government—I hope of the whole House—our job here is to provide an environment for economic growth, for creating jobs for Canadians and to see that there will be new economic wealth shared by all Canadians. In this context that we have set out the first step we must take is to make sure we get government right and we do things properly here in Ottawa.

[*Translation*]

This budget will result in considerable savings so that we can meet our red book commitment to reduce the deficit. Furthermore, if the economy does better than forecast in our extremely prudent estimates, the deficit could go down even faster.

[*English*]

This will pay off not only this year, not only next year, but because we are getting it right this time, it will pay off long into the future.

As an aside, everyone in this House should be heartened by the tremendous positive reaction. This budget has been accepted by Canadians from coast to coast, by people who are concerned about our deficit but on the other hand wanted to be given hope that the government was not going to hurt their lives unnecessarily. Yes, the price is being paid by many people in many ways in many walks of life. On the other hand, it is also gratifying that Canadians have come to a point in this development where they can say this is the right step, that we are doing the right things for Canada. International observers who do have an influence on our success have also seen that the Minister of Finance has taken the right steps and is going about putting our house in order.

This budget is different, very different from the previous Tory budgets. People ask me that question all the time. We are not just making rhetorical flourishes. We are doing very precise things. We are going to be successful. It is not a budget of promises. It is a budget of commitment. We proved last year that we can fulfil our commitments. We will prove it next year, the year after and the year after that.

Most important for people on this side of the House, this is not a Conservative budget in a fundamental way. It adheres to the Liberal legacy of nation building. It is clearly rooted in the principles of economic leadership, compassion and increased

fairness. We will not leave Canadians with another decade of disappointments in the development of the budget and the development of their government.

Today's budget is a call for action. It is a time for opportunity and challenge. As our Prime Minister has said on many occasions, if we have to make cutbacks in government, make them while the economy is growing. The economy is growing now and now is the time for firm action.

We have seen in the past year, not because of our actions but because of the collective wisdom of Canadians and their increased confidence, over 443,000 permanent jobs created in this economy. We have seen a growth rate that far outstrips all of our fellow countries in the G–7. We have shown the way among western industrial nations about how to grow an economy.

We do not take credit for that. We understand that it is not us but we hope that we are helping to provide the environment which makes businesses and individuals confident of the future because that is the way that this economy will continue to grow.

• (1205)

[*Translation*]

We also have an opportunity at the political level. Canadians clearly indicated that they wanted vigorous measures to reduce the public debt so that we can get rid of the crushing burden of high taxes and resulting interest rates.

The challenge we face is just as clear. Canada's economic future is in real danger because of the $500 billion debt which makes us extremely vulnerable to the brutal impact of interest rates.

These interest rates have continued to rise under pressure from the U.S. and Canada. Since October, short–term rates have risen by about 2.5 percentage points.

[*English*]

It is very important to emphasize this point. I want to say to all parliamentarians here today that sometimes during the course of our committee work we wonder if it has an influence, do the ministers listen, does the Prime Minister listen, do opposition members have an influence. I think the finance committee stands out in its work as a great example of how parliamentarians contribute to the development of policy.

We went through long hearings. We heard from over 650 witnesses in the fall. We came to the conclusion that the government must be prudent, that the government must pay attention to increasing interest rates, that we must take dramatic and deliberate actions to reduce the deficit. The Minister of Finance heeded those words.

Although we seemed to be on the drastic side when we made our recommendations our warnings bore out the truth, that interest rates have gone up and made the job of this government much more difficult.

To the credit of the Prime Minister and the Minister of Finance and other colleagues in the ministry, they responded and produced a budget which showed our own willingness to reach our targets. This caution will be what propels this government to do the right thing in the years to come.

Let us stop and think. What would have happened if we had done nothing? There are voices in the country and voices on the lawn in front of Parliament which say this is really an okay situation, all this talk about deficits is some right wing plot to destroy our social programs. If we had not done anything we would have been $5 billion higher in our deficit this year and we would have missed the mark by $10.6 billion next year. In other words, we would be further behind than when we formed the government on the commitment to reduce the deficit to 3 per cent of GDP. The actions are necessary and we are in the process now of taking the necessary steps to rectify the situation.

In order to reach our budget targets as the Minister of Finance explained yesterday we are implementing cumulative savings over the next two years of $15.6 billion. Over $13 billion of these savings will be in spending cuts and there will be no increase in personal income tax rates.

As the leader of the third party said a few minutes ago, this is great news for Canada. We have to realize that we have attacked the problem of government debt while at the same time recognizing the legitimacy of middle class families, that the tax burden has shifted over the past 15 years far to much to them and therefore to their children and their ability to have economic security.

This government has listened to that message and listened very carefully and responded with prudence, responded in such a way that Canadians understand that we are putting this government in order and are calling upon them as a last resort to lend assistance.

[*Translation*]

We are also taking firm action to make the tax system fairer, close loopholes and increase the contribution of big business to the fight against the deficit.

[*English*]

Taking the next three years together, the budget delivers almost $7 in spending cuts for every $1 in revenues. These actions are changing the size and shape of the government by hard choices on priorities. By 1996–97 program spending will fall from $120 billion down to $108 billion. This is the most dramatic action seen in any government for decades.

• (1210)

The most important point of all, in 1996–97 the debt will no longer be growing faster than the economy. When the Minister of Finance says on public occasions that we are going to break the back of this, we are going to get off this treadmill, this is the key point. The debt to GDP ratio will begin to decline. That is the key for the fiscal sustainability and that will put us on a permanent downward track.

There are going to be payoffs. We want Canadians to appreciate this. This is the first step. Budgets are not made or broken on one night's announcement, they are made by Canadians adjusting themselves and departments adjusting themselves. There will be a payoff. The payoff is that we will make sure we reach our targets.

We set up substantial contingency funds: $2.5 billion this year, $3 billion the year after. Even if interest rates go another full percentage point higher we will still be able to reach our targets.

It is this type of caution in the pasture which has caused us to reach our target, to do better than we told Canadians we were doing, and that is what is contributing to the confidence of Canadians in their national government. We are saying things that we can do. We are not setting targets five years down the line or ten years down the line so that when a crisis occurs like Mexico everybody says do not worry about this particular short term problem, we can put it off and look after it in the future.

What we are saying in this House is that as a crisis occurs we adjust, we reduce our spending, we reach our target year after year. That is the confidence builder, not having some vague target in the future which says we can reduce the deficit to zero in three or four years. That does not help anybody. That just frustrates people. That leaves a bad taste in the mouths of the politicians who are over promising.

It is very important that every member in this House understand the responsibility that we have in the debate, that Canadians understand that we are going to reach targets and that those targets will be reached in such a way that it is done fairly and consistently. When people look back at the period of the mid–nineties it will not be like it was in the mid–eighties, there will be real accomplishment by their national government.

[*Translation*]

Our contingency reserves could play a dual role in the future. Not only will they ensure that we will meet our objectives, but, if they are not needed they will not be spent and will allow us to further reduce the deficit.

This is yet another dividend to be reaped through prudent economic forecasting.

[*English*]

If interest rates and growth do better than our forecast and conform to the private sector average the 1996–97 deficit could drop dramatically. It could be much less than projected in the budget. We could have a deficit under 2.5 per cent instead of 3 per cent of GDP.

The government is being very careful on this point. We want people to understand that our targets are realistic and if we do better it is through good luck. We are being prudent in each of our particular projections because we do not want to fall short. We think that the credibility, not of this government but of the nation, is based on targets reached year after year.

The heart of the process to achieve these goals was not done in the hurried up fashion of a Minister of Finance sitting around a table with a few officials. In my first year the minister would call me in from time to time and we were trying to figure out what could be done. We had only been in office for a few months and it was very much a learning process.

What the minister decided quite appropriately, which was supported by his cabinet colleagues, was to have a program review which in some respects sounds esoteric. A program review gave a group of ministers an opportunity to talk with each other about what they wanted to see reshaped in government, a new strategy within government. It was not to throw around programs and say, cut here and cut there. It was to say department by department, what is it that we have to get out of and what is it that we have to emphasize? How do we redevelop an industrial strategy? My colleague from Don Mills is involved with that. How do we develop a strategy on science? How do we reduce subsidies in the agricultural field? How do we make the transportation system more effective? These are not catch as catch can questions, these are hard to answer; nor are our answers this year the final answers.

• (1215)

We will find this will be a progression of innovation. We will be back again and again suggesting new ways to do things. This budget is going to energize our colleagues on this side to do the right thing and to find new ways for the government to operate. I hope the opposition parties will make suggestions that we can incorporate so that we can develop a stronger and stronger national government.

[*Translation*]

Of course, we did not wait for the budget to take concrete action. Our review of agencies, offices, councils, boards and commissions—which ended in early February—will lead to the abolition of 73 of these 120 organizations. The 47 remaining entities will be restructured and rationalized. This will allow us to eliminate 665 positions held by governor–in–council appointees and save $10 million a year.

[*English*]

We could mention a lot of examples that have proven to be really fruitful in this process. Spending by fisheries and oceans will fall $210 million over three years. We have found that there are more officials than there are active fishers. Transport will move from being an operator of the transport system to a role of regulator and policy maker.

There has been a large question raised in the minds of the public about subsidies to business.

[*Translation*]

In fact, business subsidies will be cut in every department. The reduction will affect agricultural and transportation subsidies that were established decades ago.

[*English*]

Overall the budget will cut subsidies in half, from $3.8 billion to $1.5 billion by 1997–98.

We will also do other measures on cost recovery, for example in dealing with immigration issues.

On the question of provincial transfers, we are taking action to reform the provincial transfer system. We think that our innovations will create a system that is more sustainable and more responsive to community needs.

In the last budget, to set the stage to show ourselves to be supportive of each of the provinces, we renewed equalization for five years. There is no change in that commitment in this budget.

For 1996–97, the other major programs, established programs financing for health and education and the Canada assistance plan, will be converted into a single, consolidated block transfer called the Canada social transfer.

[*Translation*]

It is a matter of converting the Canada Assistance Plan to the block funding system already used for EPF, thus allowing the provinces to innovate according to their priorities.

However, the budget also makes it clear that the principles in the Canada Health Act must be adhered to. And there is no change to the principle that the provinces must provide social assistance services without minimum residency requirements.

[*English*]

The introduction of the CST will see total provincial transfers reduced by $2.5 billion next year and the year after that by $4.5 billion. This means that the total of all major transfers to provinces in cash and tax points will be 4.4 per cent lower next year than it is today.

By comparison, the drop in federal spending will be 7.3 per cent. To put it in another perspective, the reduction by the second year will equal only about 3 per cent of all provincial aggregate revenues. We have hit ourselves harder than we are hitting anybody else.

There are two other issues which are still outstanding: unemployment insurance and support for the elderly. I will touch on them very briefly.

[*Translation*]

Sometime this year, the Minister of Human Resources Development will be tabling legislative proposals to put in place, based on the best features of the UI program, a reformed program the emphasis of which will be on assistance rather than dependence.

• (1220)

[*English*]

This reform will take place in 1996 and will reduce the size of the program by a minimum of 10 per cent. For 1996–97 this means the reform will secure savings of $700 million. I will choose another time to speak about the payments to the elderly.

This may be a difficult budget in some ways but the optimism with which Canadians received it last night and today shows that we are on the right track and that we have the support of the country.

[*Translation*]

Mr. Jean–Paul Marchand (Québec–Est, BQ): Madam Speaker, I listened with interest as my hon. colleague sang the praises of the latest budget, saying that this may be the opportunity we were looking for to act aggressively to put our fiscal house in order. But would he agree with me that this budget did not come down very hard on the banks and family trusts?

All banks are asked to pay over the next two years is about $100 million. This is really not very much when you think that banks are the businesses that have turned the largest profits over the past five to ten years. Last year alone, the Royal Bank's net profit was $1.2 billion. And this is just one bank.

In addition, by deferring changes regarding family trusts to 1999, or five years down the road, the wealthiest segment of our society will have ample time to find another place where to put their money away to avoid any form of taxation. Considering that the government could have brought in perhaps as much as $1 billion from these trusts alone, does the hon. member really think that his government took firm and fair action?

Mr. Walker: Madam Speaker, the hon. member raised two issues on which I would like to comment. First, with respect to family trusts, we have removed all tax advantages related to these trusts and reduced the allowed deferral under the 21–year rule. We are beginning immediately to take action on family trusts.

[*English*]

There are two questions under family trusts. One is the question of income dispersed to beneficiaries which is going to be changed immediately. The other is the question of the capital tax. The 21–year rule is effective in 1999 which is the time it takes given the fact that the Conservative government eliminated the rule. There had to be a few years to allow for adjustment. On the income issue we will begin immediately; on the capital issue we begin.

[*Translation*]

On the other issue, the bank issue, we are raising a special tax on banks, which will bring in $60 million just this year.

[*English*]

We think this is a great step forward. It will begin to deal with the banks on several issues we think they should be addressing immediately.

[*Translation*]

Mr. Pierre Brien (Témiscamingue, BQ): Madam Speaker, the hon. member referred to the transfers to provinces and said that, in his opinion, provinces would not be really affected, considering the cuts involved. This raises the whole issue of national standards. What will happen to standards?

The budget makes several mentions to such standards, but they are not very clear. I wonder if the hon. member could give us his own view on that issue. In his speech, the Minister of Finance said, and I quote: "Provinces will now be able to design more innovative social programs— programs that respond to the needs of people today rather than to inflexible rules".

Thus, and that is a step in the right direction, the minister does confirm that, in the past, there were some inflexible rules. But the sentence which follows is the one for which I would appreciate an explanation. It reads: "However, flexibility does not mean a free–for–all". That sentence appears in italics in the budget speech. What does the minister mean when he says: "flexibility does not mean free–for–all"?

It means that the federal government will continue to exert some control. Yesterday, the Minister of Human Resources Development, who was participating in a radio show with me, said that before the government had no control over funds but that would now change because the federal government would define standards, in co–operation with the provinces.

• (1225)

We all know what joint standards mean. Therefore, I wonder if the hon. member could explain the statement to the effect that flexibility does not mean free–for–all.

[*English*]

Mr. Walker: Madam Speaker, I thank the member for his question. This area is both old and new in Canadian politics, that is to say, how do we transfer money to the provinces?

Essentially the federal government's strategy since the mid–1960s has been to have a program called the Canada assistance plan. It allows the provinces to access money freely if they fulfil certain federal conditions. In the 1977 EPF program, we said to the provinces that they would have block funding for post–secondary education and health as long as they conformed to the Canada Health Act.

In several discussions going back to the early 1980s the provinces have been asking for greater flexibility in the Canada assistance plan to enable them to design more innovative social programs. At the same time there is the feeling at the national level by many national interest groups that as one moves about the country support for post–secondary education is varied. The types of services available under the Canada assistance plan are varied.

We have said to let us go back to the first principles. Let us move toward a way in which we can give the provinces a wider range of flexibility through social transfers. At the same time, as a national government we have to make sure we are true to the principles we want as a Liberal government. Through the budget consultations which normally take place when the budget laws are introduced, we will have an opportunity to discuss it. I am sure the ministers of finance and social policy as well as the prime minister will want to talk about it.

Mrs. Jane Stewart (Brant, Lib.): Madam Speaker, I would like to congratulate the parliamentary secretary on his speech and tell him how much I enjoyed working with him on the Standing Committee on Finance.

He made reference to the fact that the work of the committee had a big impact on the minister and the results of his budget. I agree that I could see a direct reflection in the budget of the recommendations made by the committee and the details provided to us by individual Canadians. The committee provided an important venue for Canadians to participate in the debate on the budget which is so important to them.

Does the parliamentary secretary expect that the Minister of Finance will continue this participative process with the Canadian public? Will the minister ask the committee yet again to be involved in the process as we prepare for our next budget?

Mr. Walker: Madam Speaker, it is going to be a much more elaborate process next year, in a good sense of the word elaborate. We all learned something last year. I think we would like to start a little earlier.

The consultations by the finance committee is a House order. We are mandated by the House to do these consultations. We will continue with them.

I can also point out that the government itself has changed the way that departments produce their budgets. Each committee is now going to be involved with the budget preparation. We are going to build upon last year's success. We are going to have a very strong process. The finance committee will be the centre of it, but unlike this year, we will not be the only participants. I welcome the work of other committees to make sure we improve the budget on an annual basis.

[*Translation*]

Mr. Ghislain Lebel (Chambly, BQ): Madam Speaker, I want to ask the parliamentary secretary if he shares my impression to the effect that there is very little in terms of job creation programs. The Minister of Finance is somewhat like a discouraged unemployed worker who sells his tool box because he feels he will never find another job.

I do not see any job creation initiatives in this budget. Rather, I am under the impression that the minister is selling his wood to pay for his stove. There is something wrong in all of this.

Can the parliamentary secretary tell us what miraculous solutions he sees to promote job creation?

Mr. Walker: Madam Speaker, last year we announced our infrastructure program. That program enabled us to create many jobs and implement many projects.

• (1230)

This budget will allow us to pursue our job creation efforts right across the country. I am convinced that our strategy will be successful.

The Acting Speaker (Mrs. Maheu): I have the honour of welcoming the Leader of the Opposition among us, once again.

Some hon. members: Hear, hear.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Madam Speaker, 16 months after the October 1993 election, the government just made a very sharp turn. Indeed, the government has now stopped claiming, as it did for most of 1994, that there was no real fiscal crisis in Ottawa and that it could just surf on the wave of economic recovery, a wave which largely came from south of the border.

When a country with a debt as huge as ours anticipates, as the federal government did in its February 1994 budget, a reduction of its deficit based on totally extravagant assumptions regarding interest rates, that does not reassure anyone, let alone creditors, whether in Canada or abroad. Because of the irresponsible action of the federal government, these creditors have become the true masters and judges of Canada's fiscal position. Since the Canadian government needs foreign lenders, the latter have had ample opportunity, in recent months, to signal the end of the party. A weak dollar and high interest rates are two phenomena that have become inseparable. At this very moment, real interest rates are among the highest we have ever known. The cause is as straightforward as it is shocking: by March 31, 1995, the federal debt will be $546 billion or 73.2 per cent of GDP. If we add to this what the provincial debt will be on the same date, $210 billion, the total equals 102 per cent of GDP.

This means that a country as rich as Canada has practically lost its monetary and budgetary autonomy. One third of federal revenues, $42 billion, will be spent this year on servicing the debt.

Perhaps I may digress at this point because there is a comment I would like to make. Two billion more or less may not be that important, but I was nevertheless surprised when in his speech on October 18, 1994 before the Standing Committee on Finance, the Minister of Finance evaluated debt charges for 1994–95 at $44.3 billion, and then reduced this to $42 billion in his budget yesterday, although interest rates had gone up considerably since October 1994, something no one could have foreseen. This is rather interesting, and I have a distinct impression that the Minister of Finance occasionally lets politics, with a small p, play a part in his financial forecast. Yesterday's budget is certainly no exception. So much for that.

Our creditors snapped their fingers and, lo and behold, the little red book drafted by the same Minister of Finance went up in smoke. Cuts in social programs, providing for a surplus in the UI account that will be allowed to rise above $5 billion, the savage downsizing of cash transfers to the provinces: none of this was on the red book's agenda.

On this side of the House, we talked about cutting the fat in the federal apparatus, a possible reduction in the defence budget, and getting rid of tax shelters and duplication of services by the federal government and the provinces. On the other side of the House, they just laughed and said somewhat condescendingly: Sure, we know the Bloc wants to dismantle the federal government. You want to cut $6 billion from the government's operating budget, plus 2 billion from the defence budget, while Canada spends less on defence than any other NATO country. Now be sensible! That is what they told us not so long ago.

Yesterday, the Minister of Finance told us we were right. In three years, non statutory spending by federal departments will be cut by $9.8 billion, in real dollars. Better late than never, although the many targets of the government's program review do not necessarily deserve the kind of treatment they get in the budget, a budget that takes a hard line on social programs and tries to manipulate the public.

[*English*]

Listening yesterday to the Minister of Finance I was reminded of a song by Dinah Washington at the end of the fifties. Some members may remember *What a difference a day makes*, a nice soft ballad. Yesterday's budget could have been subtitled: "What a difference a year makes".

• (1235)

Remember last year. Who was talking about the debt crisis, the fat in the federal government, the wasteful overlapping between federal and provincial governments, and so on? Was it the Liberals? Of course not. They were all or almost all singing together from their bible, the red book. The Prime Minister was saying: "What debt crisis? Canada is okay". A year later, sobered by the money markets which are now calling the shots—he who lends to the piper calls the tune—the same Liberals are cutting with a vengeance.

The objective of a 3 per cent deficit to GDP ratio, the alpha and the omega of budget discipline in the red book, has become a simple marker on the way to a balanced budget. No date has been set aside for this new objective, but one senses that the Minister of Finance would like to get there as soon as possible and, I would add, at almost any cost.

For example, he becomes lyrical on the possibility that the deficit could be below $19 billion in the 1996–97 fiscal year. I would like to sound a note of caution here for two different reasons.

The first one refers to that inscrutable thing we call the future. The future has a way of messing things up. The Minister of Finance knows this very well. Just last year his interest rate forecasts were solidly off base barely two months after the budget was brought down in the House. Who predicted the Mexican crisis which began last December 21? Nobody, publicly anyway. On December 20, if we believed the pundits, Mexico was doing fine.

I am told that economists like many other respected professionals tend to follow the herd. This explains, at least in part, why their forecasts are very often interchangeable and consistently miss the turning points. All recessions have been predicted after the fact. To be more precise, one can feel uncomfortable with the budget assumption about real GDP growth. Last year the GDP growth assumptions for 1994 and 1995 were 3 per cent and 3.8 per cent. The first one underestimated it by a wide margin for it finally was 4.3 per cent, thanks in part to the strength of the American economy.

This year the assumption for 1995 is the same as last year, 3.8 per cent. This sounds a little strange in view of the fact that interest rates are projected to be so much higher this year than was anticipated last year. Already there are signs that high interest rates are biting into consumer demand. We certainly cannot exclude the possibility of 2.5 per cent real growth this year. In such a case the Minister of Finance's plan will be set back.

But there is another reason for our caution. Real expenditure cuts are one thing and the program review is supposed to deliver them. However there are other cuts in the budget which rather fit in the smoke and mirrors category.

[*Translation*]

The budget stresses the importance of a second set of reductions involving cuts in transfers to the provinces. Transfer payments basically cover three different programs: the Canada Assistance Plan, Established Programs Financing, which includes health care and post–secondary education, and equalization. Their treatment is not necessarily the same. The federal government's calculation of these payments not only includes cash payments but also the revenue yielded by tax points transferred to the provinces under cost–sharing agreements. This makes the federal government look good. However, it has no control over what the provinces make of these tax points and can certainly not take them back: there was never any question of its doing so. What the federal government controls are cash transfers, and how they change is the true measure of federal fairness.

Here is where the federal government strikes a real blow. Convinced that, and I quote from the budget speech: "At present, transfers under the Canada assistance plan come with a lot of unnecessary strings attached, which limit the flexibility of the provinces to innovate", the federal government decided to combine them with the established programs financing into a single program, as of 1996–97, to be known as the Canada social transfer.

• (1240)

This program will continue to include, in federal accounting, both tax points and cash transfers. And, for the federal government, this is the beauty of the thing. For three reasons.

The first reason is that this arrangement means a significant reduction in cash transfers, which are the only real expenditure for the federal government, and it means the government can show financial markets a more impressive record in deficit terms, while presenting a different image to Canadian public opinion, and this is the second advantage, thanks to the tax point transfer being included in the calculation.

Also according to the budget speech, and I quote: "This means that the total of all major federal transfers to the provinces in 1996–97 will be 4.4 per cent lower than they are today. That compares favourably with the reduction in spending in our

own backyard—that is, everything except transfers to the provinces—which will be down 7.3 per cent by that same year".

The third advantage of launching the Canada social transfer lies in the date of ignition: not this year, but early in 1996–97, in other words, after the referendum. This point is revealing, unintentionally, of course, but revealing nonetheless. If this new program were so beneficial to the provinces, including Quebec, and if it really demonstrated the flexibility of Canadian federalism, should it not be operational by the start of the new fiscal year, that is by April 1? This way, Quebecers could examine the quality of the merchandise with their own eyes before making their historical choice in the referendum. In actual fact, there is no chance in the world this will happen. We will see why. All provinces are concerned.

[*English*]

All provinces are directly concerned about the impact of the new Canada social transfer. If one looks at the cash transfers that come with it on page 33 of the budget speech, one sees the unvarnished truth.

From 1994–95 to 1996–97 cash transfers from this program will fall from $17.3 billion to $12.9 billion, a $4.4 billion drop. One needs to take into account equalization grants, which increase from year to year, to obtain the global picture for transfer payments to provinces. When one does so there is still a drop of $3.6 billion in federal transfers to provinces over a two–year period. As a matter of fact this represents a real 14 per cent decline, not the theoretical 4.4 per cent the Minister of Finance would like us to believe, hence a more drastic decline than the one experienced by total federal program spending.

Who is going to be fooled by the pretence of such a program to define a more decentralized federal system when its sole motive is to cut federal spending? A last proof, if need be, that this is not a one–shot program but rather a constantly vanishing one. The global sum—fiscal and cash transfers—is available for the Canada transfer program in 1997–98 but not the cash transfer separately.

However, having both fiscal and cash transfers separately for each year from 1994–95 to 1996–97 makes it quite easy to produce a good estimate for the cash transfers part in 1997–98. It amounts to about $10.3 billion or $2.5 billion less than in 1996–97. Flexible federalism, maybe, but for whom?

This cut in the Canadian social transfer to the provinces represents more than 40 per cent of the reduction in federal program spending between 1994–95 and 1996–97. It allows the federal government to trumpet the achievement of a less than $25 billion deficit in that last year. It may or may not raise eyebrows in the money markets, but it is almost certain that many provinces will have to accept higher deficits in order to cope with the cold wind blowing from Ottawa.

• (1245)

[*Translation*]

For Quebec, there is more to come and there is worse still. Information on cash transfers both before and on implementation of the Canadian social transfer shows that Quebec will suffer a net loss of nearly $700 million in 1996–97 alone. For 1997–98, the loss will amount to nearly $2 billion. In view of this, the budget speech is rather comic if not somewhat ludicrous. I wondered how the finance minister could have kept from laughing when reading to this House the part of his speech praising the innovative approach the provinces could take from now on in managing their social programs.

His composure and self–control must have been seriously tested when he read the following passage, and I quote: "With the Canadian social transfer, provinces will now be able to design more innovative social programs—programs that respond to the needs of people today rather than to inflexible rules". And he continued, deadpan as ever, and I quote again: "However, flexibility does not mean a free–for–all". The federal government is creating a program which will take $2.5 billion from Quebec over three years, but wait, that is not all. There are still standards to be met. Big Brother is cutting and keeps on cutting, but is still issuing orders. Is this stupidity or sheer arrogance?

It takes a lot of nerve to speak to the provinces in such a tone, just before tying them up in a financial straitjacket. Good news, the minister tells them, I am cutting $7 billion but at the same time I am letting you use your imagination. The budget and the minister do not say so, but we know very well how provincial leaders will have to use their creativity. They will have to be creative in devising new cuts to services and racking their brains to prevent their deficits from ballooning out of control.

This will be a merciless process, with a domino effect causing one level of government to fall after another. But in the end, the taxpayer will bear the brunt of it all. For the unemployed, the poor, the sick, the minister's skilful manipulation of figures and evasion of responsibility will result in awfully concrete realities: a reduction in unemployment insurance benefits, the elimination of assistance programs, reduced health insurance coverage. That is without counting seniors, who will be informed of the results of the minister's review of their old age pensions next year, after the referendum. At the very least, seniors must be thinking that when a Minister of Finance reviews a social program, it is not to see whether he can increase funding.

Then, there is the more specific issue of fairness toward Quebec in the implementation of certain programs. I am thinking in particular about the farming sector. Quebec's dairy farmers have been hard hit by a 30 per cent cut in dairy subsidies. No compensation.

Farmers from the west are faced with the elimination of the Crow rate, a grain transportation subsidy. However, they are being very generously compensated by non–taxable cash payments. Double standard. Regrettably, there is another case. We will talk more about the other cases in the next few days. In the defence sector, for example, a recent study found that Quebec is getting $600 million less per year than the share of military contracts and spending it would get if its share were weighted according to its population.

Six hundred million dollars per year, and to top it off, Quebec does not have its quota of Canadian military bases. Already, it is getting short shrifted out of defence spending, should it not get its fair share of military bases? So what does the budget say? Another Quebec military base, Saint–Hubert, will be closed and staff at another, in Bagotville, will be cut. You may reply that there will also be cuts in the rest of Canada. No. Of course there will be cuts elsewhere, the scale is already off kilter. The latest decisions only tip the scale more in their favour. Even if we take transfer payments into account in comparing the current situation with the situation that will be created once the new transfer payment arrangements are implemented, we must draw the same conclusion.

• (1250)

In Quebec, federal transfers are going to shrink away: $7.4 billion today; in three years, $6 billion. Another paragraph from the budget seems to predict even darker hours: "So we are prepared to address those issues by funding CAP in a similar way as we fund the existing EPF transfers for health and post–secondary education". This statement is very ambiguous. Quebec receives approximately 35 per cent of CAP's funds and some 25 per cent of EPF transfers. But if demographic considerations take precedence over those of real need in calculating the Canada social transfer, the result will of course be an additional shortfall of several hundreds of millions of dollars for Quebec.

One paragraph in the budget plan suggests that such a reorientation is not beyond the realm of possibility. One of the justifications given for the new Canada social transfer is as follows, and I quote: "Federal expenditures will no longer be driven by provincial decisions on how, and to whom, to provide social assistance and social services". This looks very much like a pulling back from a more socially oriented approach.

And what better time to point out the very real asymmetry of Canadian federalism? If the federal government does not like the provinces forcing its hand, it could draw a line and withdraw beyond it. But for decades the provinces, particularly Quebec, have had to bow to the wishes of the federal government, with no power to keep it from interfering. It is probably in the field of health that this relative powerlessness of the provinces is the most in evidence. The budget states in no uncertain terms that the federal government will make increasingly smaller payments for health costs, while ordering the provinces, who already carry the bulk of the financial burden, to meet the standards set out in the Canada Health Act.

Less for health, less for social assistance, less for the unemployed. When we know that the elderly now account for 40 per cent of all health care needs, and that this proportion will continue to grow, we can only conclude that this budget marks a change of direction in social policy that could indeed be described as harsh and insensitive. Is Canada so poor, is social solidarity so fragile that the poorest and most helpless in our society must bear the brunt of the necessary fight against public waste?

However, this change in social policy will not take effect tomorrow but only a year from now. The government is trying not only to impress the financial community but also to influence the results of the referendum by postponing until after the Quebec referendum all projects it is about to cut and slash. When will it clear–cut transfer payments to the provinces? In one year. New UI restrictions? They will be discussed in the fall and start in July 1996. What about the debate on income security for seniors? In the fall, with major changes already proposed for implementation at the beginning of 1997, particularly for the old age security pension.

[*English*]

One does not need to be a rocket scientist to realize that the federal government is playing the waiting game. It would dearly love to see the referendum take place tomorrow. But how could anybody decide now between two fundamental options when the federal side does not want to clarify its position on all those dossiers that it is keeping in its bosom? Does it think Quebecers have forgotten about May 1980? The trap was sprung once. It will not happen a second time. I say to those in front of me: "Clear the air. Show us what you have up your sleeve. The people want to know what you are going to offer them".

One thing at least is clear. All the hoopla about the budget led some to believe it could rekindle the flame of a new federalism where the federal government would retire from provincial jurisdictions and send the appropriate fiscal resources to the provinces. For many people the deception must be all the more cruel. The idea of a dominant central government and of 10 "infeodated" provinces is as present as ever.

• (1255)

[*Translation*]

Canadian federalism encompasses financial and regulatory powers. For a long time, the federal government enjoyed both types of powers. Today, because of its meddling, it lacks financial power. That is why it holds on to regulatory powers in the name of a certain conception of the Canadian "nation" that the people of Quebec have always rejected. If the federal government manages to shift a significant part of its deficit to the provinces, it will clean up its finances, at others' expense, of course. It is already thinking about it, as the budget clearly

shows. Many observers feel that there is an automatic link between the federal debt and the distribution of powers. Things are not so simple. Reducing the size of government is one thing, but a genuine decentralization is something else. Clearly, the federal strategy is to do the former without a serious commitment to decentralize and therefore without a coherent vision of the future relationship between Quebec and the rest of Canada. That is the budget's main lesson. It is probably a history lesson but for reasons that are the opposite of those put forward by the author.

Mr. Ronald J. Duhamel (Parliamentary Secretary to President of the Treasury Board, Lib.): Madam Speaker, I am pleased to rise today to speak to the budget.

Our position is very clear. International markets have reacted favourably to this budget. Of course, the Reform Party feels that the cuts do not go deep enough. They wanted the government to slash more deeply. We remember the so–called budget they tabled a few days ago—I say so–called budget because it did not generate any positive comments. They tabled this document to convince Canadians that they were competent enough to bring down a budget. All this so–called budget did was to propose deeper cuts across the country.

And then this morning, the Bloc, the official opposition, said that we cut too much or not enough. I listened to their speeches with a great deal of attention and I am not sure that I know what they want. What do they want: more cuts, fewer cuts, different cuts? I do not know.

I have just heard a comment to the effect that the Bloc's suggestion that the size of government should be reduced was held holding to ridicule by the Liberals, and now we are told that we have finally realized that there was some fat to trim after all and made cuts. Is there not a glaring contradiction between these statements?

It seems to me that there is a glaring contradiction. If I am wrong, my hon. colleagues will no doubt ask questions and clarify their position. I would be only too happy. We find ourselves today stuck between the far right and the left—I would even say the far left at times. This is not a bad position at all.

What do the people of Manitoba have to say about this budget? I thought my hon. colleagues from both opposition parties might like to know. One paper ran the headline:"Grits Axe Spending". Another headline reads: "Western Diversification to Get New Look"; this is positive feedback. This one says: "Social Safety Net Rescued", a quote from the Minister of Human Resources Development.

• (1300)

And it goes on. "Tough Plan Boosts Buck, Raises Hopes". These words were not written by Liberals, I assure you. Also, "Federal Budget Turning the Corner". And this one, from Manitoba: "Budget Draws Applause". So, the response is generally positive in Manitoba. I can see my colleagues from the Bloc Quebecois are just thrilled by this positive response. I will list more positive responses in a moment.

I know how appreciative my colleagues from the Bloc Quebecois are when I mention them in my remarks, pointing out their glaring contradictions, demonstrating that the whole country, except for the official opposition party, can see some good in the budget just tabled. It is not just good, it is beyond being plain good.

As you know, this is a tough but fair budget. Not one region or group of individuals is affected unfairly. Many people are affected, but can you say they are treated unfairly? If so, please let me know.

The Minister of Finance made a special effort to distribute budget cuts equitably amongst the various regions. I must add that this budget takes necessary steps, and I stress the word necessary, to bring the deficit under control. These are the most severe budget measures taken by the federal government in fifty years. This will ensure that the deficit is going to be brought back to 3 per cent of the GDP by 1996–97.

Consequently, the budget exceeded the expectations of international traders. I should add that this is not the budget of a Conservative government. This budget does not make indiscriminate cuts: it redefines the role of the government, so that every department can concentrate on the priorities of Canadians. This is something important. We are going to do what we have to do.

I do hope that Bloc members will be pleased to see that, following the implementation of the measures announced in the budget, overlap and duplication will be reduced. Bloc members will surely be pleased to hear that, since they talk so much about that issue.

Moreover, unlike the previous Conservative budgets, we did not target the poor, absolutely not. The Liberal Party of Canada made a commitment regarding social programs.

Later this year, the Minister of Human Resources Development will table a bill on a significantly revamped UI program designed to better meet the needs of all Canadians.

Our government is also determined to provide fair, financial protection to our seniors, who have made such an important contribution to this country's development.

There is more. As I mentioned earlier, this is a tough budget but, according to most observers, it is also fair. To reach our

objective of deficit reduction, the following measures take effect immediately. That is very important.

First, the tax rate for large corporations goes up from 0.2 per cent to 0.225 per cent. As well, the surtax rate for companies increases from 3 to 4 per cent. Together, these two measures will generate additional revenues of $260 million annually. All large companies with capital assets exceeding $10 million will be affected by this tax rate increase.

The budget also provides for a temporary increase of the capital tax for banks and other large deposit institutions mentioned in Part VI of the Income Tax Act. That additional tax will bring in $100 million over a period of 20 months.

• (1305)

Another issue often discussed here in this House was that of family trusts. They were decried, but we are dealing with this problem. Family trusts will be eliminated as of January 1, 1999. The choice allowing one to postpone capital gains taxes according to the 21–year rule will be abolished.

The cancellation of that choice given the preferred beneficiaries will prevent people from using the trusts as an income splitting tool, a most profitable procedure.

My friends from the other side will no doubt be happy with these very progressive and, above all, fair measures. I can see it in their smiles. This is a measure they will applaud and praise.

There is no provision for income tax increases in this budget. I am surprised my colleagues have not commended on that. I am surprised they only pick out items that, according to them, will embarrass government.

I am also surprised that my colleagues from the other side have not mentioned that for each tax dollar, government programs will be reduced by $7. I am enormously surprised they have not mentioned one outstanding and very important point, which is fundamental to the process launched by the government, the fact that we ensure a simple and reasonable financing which will allow us to meet the needs of Canadians while cutting programs that are not absolutely essential.

I am also surprised they did not talk about RRSPs, an issue where we certainly found a reasonable solution. As you know, there were people on both sides: those who did not want any cuts and those who wanted RRSPs to be practically eliminated. What did the government do? It cut a little; they will be frozen and increased by 1,000 $ every year. Well–off people will be those mostly affected. I would have thought that my friends of the Bloc would have at least indicated that this was a step forward. Perhaps they will do so later on.

No taxation of dental and medical health programs. As you know, we all received letters from citizens throughout the country who did not want these programs to be taxed, and they were not. I would have thought that my colleagues across the way would have had something nice to say about that. Perhaps they forgot. It is quite likely that they will mention that very soon.

This morning I read various press clippings from everywhere in the country. I would like to quote some of them so that Canadians know about the feelings of people who are not in politics, who do not belong to any political party in the opposition, who are looking at it in a rational way in order to give Canadians some advice.

Here is from *The Gazette*: "Belt–tightening Impresses Markets". How interesting. And "Ottawa aims to shrink deficit. Big spending cuts, modest tax hikes will be used to save $13.6 billion".

There are others, and I know that my colleagues really appreciate the fact that I am sharing with them a rational point of view. The *Globe and Mail* says: "Family Trust to Lose Deferment". And it goes on, Mr. Speaker. "Department Spending Reduced by 19 Per Cent", *Le Devoir*, February 28. How interesting.

Then, a headline in *The Globe and Mail* says: "Ottawa Axes Business Handouts. Subsidies Being Cut by Nearly $2.3 Billion over Three Years".

• (1310)

Here, on the same page: "Women's Programs Dodge cuts". Surely, my colleagues are going to rise in favour of that measure. Let me go on. In today's edition of the *Ottawa Citizen*, one can read: "Environment Groups Offer Rare Praise to Government". How interesting.

Let me continue: "Average Consumer Escapes Brunt of Budget". That can be found in today's *Gazette*. The *Toronto Star* says: "Liberals Cut Where Tories Didn't Dare". How interesting, Mr. Speaker.

Let me continue further. Jeffrey Simpson writes, in *The Globe and Mail*: "A Fine Start in Attempting to Escape the Deficit/Debt Trap".

And on the other side of the page, still in the *Gazette*: "Historic Budget Slays the Herd of Sacred Cows". Then in today's edition of *La Presse*, one can read: "L'économie peut de nouveau respirer". That means that the economy can breathe again. "Martin Budget Good First Step, but Canadians Still Face Tough Decisions". It is true, indeed. But it is a step in the right direction.

Finally, and this is quite interesting, in a press release, chartered accountants say that they give 4 out of 5 to the federal budget. Four out of five!

This morning, opposition party members were giving us perhaps 1 or 2 out of 5. I am surprised that they did not find anything good about the budget. It is beyond me. I know that some people would like to find us to identify issues close to their hearts and would like to make recommendations to improve the situation with regard to those issues. I understand that and I respect that. That is the role of the opposition. However, I do not understand why they cannot find anything positive in the whole budget. It is beyond me.

One thing that also surprises me about the Bloc is that they think that there is a federalist hiding behind each reduction and each operation. They say that it must be a prereferendum strategy, that, yes, there is something there, that there has to be something there. They think that even if there seems to be nothing, there is surely something. They imagine that there is a federalist lurking behing each comma, each period, each word, each sentence.

The budget is reasonable, fair and tough and it is also sensitive to regions. When you take the position of the far right—

[*English*]

That is the Reform Party. I talk about the extreme right, the Reform Party. The Reform Party came forward with "a budget". Of course I did not see one positive comment from any responsible journalist across the country on it. The fact that it is going to sit here and criticize this budget perhaps lacks some substance in credibility.

Again I would invite its members if I am wrong to correct me. I would invite them as well to suggest how this document can be improved. That is the challenge I offer my colleagues from both opposition parties, the official opposition as well as the third party.

Do not just stand there and shoot at this budget. Stand up and make sound recommendations so that it can be improved for the benefit of this nation and for the benefit of all Canadians. That is the challenge.

I spent some time in opposition. I rather enjoyed it I must confess because one has a responsibility obviously to critique that which comes forward. That is fair. Surely the responsibility goes beyond simply taking particular issues where one feels that the government might be vulnerable or where one feels one might have a political advantage. I accept that. However, it goes beyond that and one has a responsibility to make concrete suggestions.

• (1315)

[*Translation*]

To my friends from both parties on the other side of this House, I would like to offer this challenge. We have a number of days to debate this budget and make progress. Criticize all you want in a constructive manner but please, make suggestions that will improve what has been proposed. Make suggestions which will meet the needs of Canadians everywhere and allow us to be much more sensitive than we might have been if we had not had a chance to share your ideas and your political wisdom had you chosen to use those qualities for something else than attacking this budget. I underline that it has been well accepted up until now throughout the country, but even more important, on international markets.

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, I would like to say to the hon. member for Saint–Boniface that if we were smiling on this side, it is simply because we are always astonished to see how a government member can turn a deaf ear to politics with a small "p", as the Leader of the Opposition said earlier.

When the hon. member says that we have found no positive elements in the budget, it is not true. I wish he had understood or listened completely to the speech that the leader of the Official Opposition gave earlier. My friend would have seen that the hon. member for Lac–Saint–Jean referred to some positive things. However, this budget does not go far enough. It contains inequities, and I will mention only three to the hon. member for Saint–Boniface because my time is limited.

The member for St. Boniface says he saw nothing unequitable or unfair in this budget. First, does he think it is fair to cut $32 million from subsidies paid to Quebec farmers and dairy farmers and to give western farmers $2.9 billion to compensate them for cuts that are, relatively speaking, identical? Does he think such a cut is fair? He also mentioned family trusts. Is it fair to wait until 1999 to take action in this area?

By 1999, there will be no more money in family trusts. Those persons will have found other tax shelters to protect themselves. The budget should have addressed this issue immediately.

Finally, does the member think it is normal that banks, among others, be taxed a mere hundred million dollars when a single bank, the Royal Bank, made more than $1.2 billion in profits last year? Is it normal? Is it fair? I would like to hear what the member for St. Boniface has to say on those issues.

By the way, the member for St. Boniface quoted headlines from some newspapers in his riding. I suppose he should have, as a French speaking member, chosen at least a few headlines from French newspapers in his riding. I do not know. Maybe francophones are less well served in his province than in Quebec.

Mr. Duhamel: Mr. Speaker, I will start with the last comment. No French papers were published last night or this morning. That is why I did not quote any.

As for French speaking citizens of my province, yes, indeed there have been very positive improvements. I do believe that the constituents in my riding are well served by their federal member and their provincial member, as well as their municipal councillor, since we are all French speaking. We will see. Eventually we will have to go back before the electorate. I was elected in 1988, and again in 1993, and I might get elected again in 1997 or 1998. We shall see. I will let my constituents pass judgment, rather than my friend from the Bloc Quebecois.

I might add, however, that I thought it was a bit mean on his part to argue that I only quoted English newspapers from Manitoba. I repeat that none in French were published this morning.

When I went through the press clippings, I quoted some in French which praised the government for the budget. I took what I could find. I will find some more and I will pass them on to you, so you can read them and perhaps change your opinion.

• (1320)

The Acting Speaker (Mr. Kilger): I hesitate to interrupt the hon. member for St. Boniface, but I want to make sure that all comments are made through the Chair, and that hon. members do not use "you", or "vous" in French. Hon. members must address the Chair.

Mr. Duhamel: As for the three specific questions on cuts in the west versus those in the east, you know, Mr. Speaker, the people from the west—Mr. Speaker, I thank you for having reminded me to address my comments to the Chair because it is my intention to do so.

That is the problem with Bloc members. They are like that sometimes. It is sad because there are people, men and women, who are very broad–minded when they want to— Here is what Westeners are saying: We had a 100 per cent cut, while in the east they suffered a cut of only 30 per cent.

This is how people think. One member said that they would receive compensation. Of course, but if their subsidies are totally eliminated, perhaps it is only right for them to be compensated.

Mr. Speaker, they do not want to consider this: compensation for having lost 100 per cent of their subsidies. But a 30 per cent reduction is not fair. Members should think about it.

As for family trusts, we are the first government to act on the issue.

Mr. Bellehumeur: Are you?

Mr. Duhamel: Patience. You see, Mr. Speaker, they want us to do everything today, even when they are not ready. In fact, this government will ensure that it is done, but without being unreasonable. When we decided to cut transfers, we did not say right now, as of midnight tonight. We are giving people time to adjust to the change. It is the sensible way to go about it. We did not smash everything at once with the government's big hammer. We are kind. We are giving them time to adjust.

As far as banks are concerned, $100 million is a lot more than what I have presently in my bank account. It might be a significant percentage of their revenues. Could it be higher? Of course, it could. What will the impact be? If we were to increase it a lot more, will it have a negative impact on job creation? The problem is that they refuse to look at all the other sides of the medal. They only look at one. They keep on referring to something people dislike, such as the banks' huge profits, and they try to exploit it. I do not find this very honest on their part.

[*English*]

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, the hon. member for St. Boniface read from a number of newspaper articles and quoted a variety of sources that commended somewhat the budget but not in a conclusive way. It was said that it is a good first step but Canada faces challenges.

One of the major challenges that Canada and individual citizens face is the fact that the government, in its first period of administration, by 1996–97 will have placed in the laps of Canadians another $100 billion in debt without any plan, without any indication that there is finality or an appointed time at which that debt will stop accumulating and growing. There is not one mention or indication at all to Canadians that it is going to stop.

Does the hon. member after all of his fine pronouncements have the answer to the question when the deficits will stop accumulating on the debt? Then Canadians will know the finite sum of our debt, at which point we will have to deal with it.

Mr. Duhamel: Mr. Speaker, I welcome the question. First, I am delighted that my colleague acknowledges there have been a number of newspaper articles—I remind myself I am not supposed to use those as props—that have seen the budget rather favourably. They said not only is it a good first step but that it is going in the right direction and that we are going to get there.

There is supposedly no plan. That is not accurate. I know my colleague is a honourable person and he is not trying to suggest anything Machiavellian. There is plan. We have indicated in the red book that 3 per cent of GDP was our objective. Once we have attained that then we are going to eliminate the deficit and start attacking the debt. My colleague knows that.

• (1325)

Mr. Speaker, you know that this other Mr. Speaker is aware of that which I speak. There is a plan. It is as plain as one's nose on one's face, and particularly plain when I talk of myself in that way. There is a plan. We will reach that objective. Subsequent to reaching that objective we will eliminate the deficit, attack the debt, and the country will be on a sound footing.

[*Translation*]

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, a brief comment. This budget is a little bit like venom to which sugar has been added to make it easier to swallow. Why is it that measures dealing with family trusts have been delayed until 1999, and that nothing is said about measures aimed at senior citizens?

If transfers to the provinces are cut, and this is my question for the member for St. Boniface, how could it not affect the least fortunate, the poorest members of society? Back home, farmers are going to suffer a great deal. The 15 per cent cut this year added to the 15 per cent cut next year is going to hurt them tremendously. Some of them told me this morning that they could hardly manage as it was, and that with these new cuts, it was going to be hell. How can you claim that this is not like venom?

Mr. Duhamel: Mr. Speaker, I wish to thank the hon. member for his question. Of course, the budget will hurt some Canadians. Let me repeat that this budget is tough, but fair. I do not think that it is harder on any particular group.

There is another consideration. If I am wrong, what can we do collectively to try and counteract this? Now that a decision has been made, what can we do? Asking the reasons for a delay serves no purpose. We all know that, often, consultations must be held. We cannot simply say: "There, it is done." In other cases, time must be given to adjust to new measures. This is, in my opinion, a reasonable approach.

[*English*]

The Acting Speaker (Mr. Kilger): Before the hon. member begins, in the last intervention we heard from the parliamentary secretary. He referred to the hon. member for Lethbridge by his name. Of course we know that is not a practice which is customary. However, I know full well that when I am in the chair and he refers to Mr. Speaker he is not speaking to himself.

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, in my former life as a member of the Alberta legislature I ran into the same sort of circumstance. I appreciate being recognized in the House and having the opportunity to enter the budget debate today.

Yesterday I listened very carefully and considered what the Minister of Finance presented as the government's plan for Canadians. We heard in the last election about the plan that was going to change everything for Canadians and fix all the problems. During that campaign we were presented with the red book that supposedly had all the answers to all the questions. The problem is that red book is now out of date and does not answer the questions. The red book principles were applied to the budget plan that was presented to us yesterday. It is not good enough for Canadians.

Why is it not good enough? First, if I had to define the budget and describe it, I would say that it is a budget without any conclusion, without any direction and without any real resolution of the major problem that Canadians are facing, a major problem that is only being enhanced and encouraged by the government.

• (1330)

When I say that there is no conclusion, I think of the Minister of Finance in his former responsibility in his private life where he had a fleet of boats on the Great Lakes. The hon. member would never have put a boat on the lake and said: "It sits there. I do not know where it is going and I have no conclusion as to the destiny of that boat". He would not do that. Nor would anybody tell a story without having a conclusion to that story so that we understood where the story was leading us as it was being told to us. This budget does not have its conclusion.

What was the conclusion that we were waiting for as Canadians? I heard it through the media. The member for St. Boniface has said to us as he quoted a number of articles about the budget that people were responding in a certain way.

In the last week to 10 days Canadians, people in the investment community and the media had one question that was paramount in their minds: when will the deficit be eliminated? When will that deficit come to zero?

The answer to that question was not in this budget. That has had a devastating effect in my mind on the confidence of Canadians investing in this country. We do not know where interest rates are going to go, what the value of the dollar will be. We do not know the type of revenue growth that we are going to have because there is a lack of confidence. This government did not have the will nor the courage to put its administration on the line and set up a plan that would reach a proper conclusion, one that must be dealt with in this country.

What did we get out of that budget? As I said a few moments ago as I raised a question in this House, we are left with $100 billion of added debt to the current debt in this country.

In three years of administration of this government by the time we get to 1996–97, $100 billion will be added to the debt. Interest payments from 1994–95 to 1995–96 have gone from $42 billion up to $49.7 billion, over $6 billion in one year of additional cost in terms of our interest.

The following year, in 1996–97, are those interest costs going down? No, they are not. They will be $50.7 billion. We can imagine what that does to the budget, how that affects social programs, how that affects other priorities, how that is going to affect this government in its decision making in terms of expenditure reduction, of reducing the services of the federal government to the Canadian people.

The interest cost is out of hand and is going to continue because there is no plan, there is no conclusion in this budget. What happens after 1996–97? That is a serious question. This government does not know what is going to happen.

It says that maybe in 1996–97 the deficit can go down to $19 billion, that the 3 per cent target is $25 billion. If we get there then we are okay in Canada. That is not true. All we need is a bit of a recession and the $25 billion deficit will start to balloon again up to $25 billion, $30 billion, $40 billion, $50 billion. What is the consequence?

The consequence is that we could add another $100 billion very quickly to the accumulated debt of this country. It will not only be in 1996–97, $603 billion as the Minister of Finance told us yesterday. Most likely by 1998–99 it could be $700 billion. Where then is our interest cost and where is the economy of Canada? We are in a disastrous position.

• (1335)

This governments says do not worry, it is going to be okay, that it is going to come up with a plan to deal with it, it has two years of administration to do something. It has not done anything. In this House we wasted the fiscal year 1994–95 by a do nothing budget. This budget is not much better when we clear away some of the rhetoric that we heard. Do we know what the real expenditure reductions are—$4.1 billion of expenditure reduction. It is heralding it as a great success.

By the time we reach the conclusion of this Parliament or the fiscal year 1996–97, that is not much of a start in dealing with the deficit. We are going to pay the consequences. The softer we are, the liberal approach that we are using is not going to work very well and Canadians are going to pay.

I want to make one more point in my last two minutes. Who pays for this? We are laying on our children and on the future generations of this country at least another $100 billion in debt. That is a crime.

This government stands up here and says in this budget that it did not increase personal income tax. Think of the increase in personal income tax on our next generation. That is only a few years down the road. It will have to pay to pick up this accumulated debt. Think of the imposition that this government has laid on its shoulders, another $100 billion which is its responsibility; not the Conservatives, which was the last government, it is its responsibility.

Think of the increase in personal income tax that is going to happen. Think of the corporations that will have to flee this country because they cannot pay the amount of taxes that will be imposed on them by, who knows, the next Liberal government or another government that has to come in and deal with the circumstances.

That is the crime in this budget. That is the absolute crime. Like never before we need a Reform budget, the taxpayers' budget, which said very clearly to Canadians that taxes should not be increased at this time. That is number one. Number two, we must reduce the expenditures so that the deficit is brought to zero within a three–year period.

This is the responsibility that we should be taking in this House, not this soft hand approach that has been used and one that is leading us into terrible circumstances for the future generations of this country.

I think that has to be taken into consideration. If the government does not, it has to live with the crime. Its members have been the cowards not to deal with the problems that face them, and future generations will look back at this very difficult time that was not dealt with in a responsible way by this government.

Mr. Julian Reed (Halton—Peel, Lib.): Mr. Speaker, I am very curious to know what kind of discombobulated crystal ball my friend had that he looks into and is able to predict the future four or five years down the road.

I expect he predicted the decline of the Mexican peso. I suspect four years ago he predicted an anticipation of feared inflation in the United States which would raise interest rates.

I expect he must know the answer to when the budget will be balanced ultimately. The minister has taken a position, right or wrong, that he wanted to do it in two–year leaps, in two–year packages, for the simple reason that he had a better chance of predicting what was going to happen in that time.

As we all know, they did not all pan out the way they had been originally predicted. By what curious vision does my hon. friend express the question or bring the challenge to the government that somehow we should be able to say in *x* number of months or *x* number of years the budget will be ultimately balanced? My friend may be surprised that it may end up being balanced before both he and I expect.

• (1340)

I would like to know how he projects into the future in the way he seems to be doing.

Mr. Speaker (Lethbridge): Mr. Speaker, in all of the presentations we make, whether it is policy or pronouncements in this House, our whole objective is to look forward, not backward. Perhaps that is the difference between the Liberals and the Reform Party.

We all know that when we do forecasts there is a certain amount of risk. When we have the responsibility of government we have to make the best possible projects as we can.

It is obvious that this government is going to reach its 3 per cent of GDP and leave us with a $25 billion deficit in 1996–97. That is obvious. I think it is going to do that. That is not a tough target. That is number one.

Number two is at that period of time we will have added, as I said, $100 billion more to the accumulated debt. That is obvious and predictable.

Number three, after following that, has this government the will to make some kind of projection so that it brings the deficit down to zero? Does it have confidence in itself that it will bring the $25 billion in 1996–97 down to a zero base within the next two years? If the government thinks it can, why does it not say it?

The Acting Speaker (Mr. Kilger): The member is splitting his time with his colleague from Capilano—Howe Sound. I give an undertaking to the member of the official opposition seeking the floor on a question or comment that if he should so choose on the next intervention I will recognize him.

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, I think that without malice it is useful on the occasion of this budget to recall what Liberals used to say on such occasions: "The budget cuts of $6 billion out of general government programs are slash and burn. They will lower the quality of government services that Canadians expect from their federal government as a matter of sacred trust. The firing of 42,000 civil servants is heartless and without compassion". The Liberals would have said it destroys forever the sanctity of labour contracts, it is equivalent to union bashing.

The biggest indignation Liberals in opposition would have reserved would be for the close to $4 billion cuts in transfer payments. They would have said: "It will make it impossible to enforce national standards on health and higher education and; heartless and without compassion on welfare. This is the proverbial slippery slope where Ottawa and the upholders of standards of compassion will lose their grip. The country will fall apart. It will become just like the United States. Oh, my god. There will be beggars on the street. The poor will have to commit crime. People no longer feel like Canadians because when they move from one province to another they will get lower welfare rates, can you imagine that, inferior universities and different health standards".

They would say the deficit problem is being solved on the backs of the poor, those least able to defend themselves. The Liberals in opposition would have said the gasoline tax increase is a tax grab and regressive because of all those with lower and middle incomes who have to use their cars to go to work. Worse, the tax measures did not tax the allegedly obscene profits of banks. They did not raise the tax on the rich or expropriate wealth by an inheritance tax.

The finance minister when he was in opposition used daily question period to ask the government to lower interest rates. He now refuses to. He did not order the governor of the Bank of Canada to lower interest rates and the debt burden. What is wrong?

• (1345)

I am sure the Liberals when in opposition would have used this opportunity to remind the government of broken election promises. The regressive, expensive, annoyingly complicated GST is still there and will be used to grab another $2 billion from Canadians, many of whom are poor. There is still no new day care facility. NAFTA is sucking jobs to Mexico.

The rat pack would have hurled the ultimate insult at the opposition. They would have said: "They are slowly eating their red book". For a summary indictment, these Liberals would have used: "This budget sounds like the agenda of right–wing think tanks and horror or horrors, like the program of the Reform Party". We proudly say that this is so.

I am not a Liberal and I will not use these slogans to criticize this budget. Its shortcomings are fundamental and frightening for anyone familiar with history and the power of compound interest.

During the 1980s my economist colleagues and I would sit at the lunch table at Simon Fraser University. We discussed the successive budgets of Michael Wilson, who sounded just like Paul Martin—like the present Minister of Finance. I apologize, Mr. Speaker.

The Acting Speaker (Mr. Kilger): I would like to remind members to not refer to one another by name, but by riding or ministry.

Mr. Grubel: Mr. Wilson would say: "We had to face financial reality. We had to take tough measures that will transform the way the Government of Canada works. In doing so we have turned the corner. We have stabilized the debt to GDP ratio. The next budget will bring it down. We are well on the road to fiscal sustainability".

I will never forget how we all agreed that the stabilization of this ratio during prosperity was not enough. Spending and tax measures to achieve this objective during prosperity will result in deficits once a recession hits again. We were right at that time, not as a matter of ideology, but of simple economic principle.

This budget is déjà vu all over again, except this time there are absolute spending cuts rather than Wilson's magic reductions in previously inflated plans for spending increases. These cuts represent a truly major achievement for which most of the credit must go to the Minister of Finance and some of his colleagues.

The tragedy is that these cuts are too little and too late. With a debt of $550 billion these absolute cuts achieve the same objective as did Wilson's phantom cuts when the debt was half that size.

The cuts of $10 billion in program spending just about match the $9 billion in higher debt service charges on the planned debt level over the life of this budget. The expected increases in revenue due to prosperity and tax measures amount to a staggering $12.7 billion. Yet, these revenue increases only keep constant the debt to GDP ratio.

These facts represent the key to understanding my negative views of this budget. Let me repeat them.

The cuts of $10 billion, however wrenching they may have been, just about match the required increases in debt payment of $9 billion on the planned increased debt over this period. The expected increases in revenue due to prosperity and tax measures amount to a staggering $12.7 billion. Yet, these revenue increases only keep constant the debt to GDP ratio.

• (1350)

The reason for this bottom line is that the biggest spending category in the budget, transfers to persons, which amounts to $37 billion is to remain unchanged. The debt to GDP ratio will never be lowered during prosperity unless this spending category is made to contribute its share to the solution of the country's crisis.

Investors who determine the fate of the dollar and the Canadian interest rate will look at the bottom lines that loom behind the rhetoric and brave actual cuts. They will ask why transfers to persons are unchanged. They will remember the traditional Liberal slogans recalled above and will connect the two. They will not be assured.

Mr. Speaker, I hope for the sake of Canada and my children and yours that my diagnosis is wrong and that Reform will never be able to say we told you so.

Mr. Jean–Paul Marchand (Québec–Est, BQ): Mr. Speaker, in listening to my hon. friend I do not know whether he is going forward or backward. He does give me the impression that he is definitely going backward.

Unfortunately there are some things I have to agree with. He does speak to the fact that this government has not really been firm enough in reducing the deficit which is already astronomical. It does not take a rocket scientist to recognize that the longer we delay in resolving the issue, the more pressure we are putting on future generations.

It is the youth of this country who will have to pay. We are being nice to ourselves by not really being more firm but that is where I do not agree with this hon. member. I do not share his lack of feeling and lack of compassion toward people who are getting the screw when there is latitude to demand for example that the banks contribute a bit more.

Would my hon. friend agree with me that it is unfair to ask that banks in Canada contribute $100 million over the next couple of years when we know they have been making incredible profits over the past few years? The Royal Bank last year made $1.2 billion net profit. We are asking these banks to contribute only $100 million and we are cutting and slashing social programs. Does he think that is fair?

Mr. Grubel: Mr. Speaker, I believe on economic policy one has to take the longer run view. It does not do to penalize success like the banks have had now for a year or so after having absorbed huge losses for many years. If we do this kind of thing, we will drive out investment in Canada.

Investment in Canada is the source of our prosperity. It is the only source that will raise our living standards by increasing productivity. Without it, it is not possible. Even new technology needs investment to be introduced.

I do not share the judgment that it is wise for the longer run fortune of this country to say to anyone, be it a bank, a corporation, a professional, a gambler, anybody who has had success: "You are not allowed to keep it because there are some people out there who did not invest, who did not have luck, who did not work as hard. They have to get their money from us".

This is not what has made this country great and it is not what will keep this country prosperous. The Reform Party and certainly I will forever defend the system that has gotten us to the standard of living to which we have proudly become accustomed.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I listened to the member's remarks and noticed that he wanted to make some serious cuts to the social security program spending.

• (1355)

I have always believed that our responsibility in this Chamber is not to spend all of our time focused on those who are advantaged but to primarily make sure that governance always has a focus on those in our community who are disadvantaged.

I want to read directly from the taxpayers' budget in brief. Under unemployment insurance cuts which is currently $15.6 billion the member is proposing a cut of $3.4 billion by the end of the third year.

Does the member honestly feel that it is good public policy when people are in such a very difficult circumstance of not having a job to take almost a 22 per cent decrease—those are the member's own calculations—from those people who are going through a very difficult period, specifically being unemployed? Is that good public policy?

Mr. Grubel: Mr. Speaker, I thank the member for raising this important point. The OECD issued a report in which it said that Canada's unemployment insurance system is an outstanding example of excessive generosity. The Auditor General has a graph which I recommend to the hon. member. It documents this generosity.

If someone in the United States earns $100 and goes on unemployment, he gets $20. In Europe if he earns $100 and goes on unemployment, he gets $30. Does the hon. member know what a person gets in Canada according to the Auditor General? He gets $60, twice the European amount. Is there any heartlessness in taking on the suggestions by the OECD and the Auditor General to reduce this excessive generosity a little bit?

S. O. 31

The Speaker: It being 2 p.m., pursuant to Standing Order 30(5), the House will now proceed to Statements by Members, pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[*English*]

BLACK HISTORY MONTH

Mr. Ron MacDonald (Dartmouth, Lib.): Mr. Speaker, today marks the last day of Black History Month.

As the member of Parliament for Dartmouth I am proud to say that I represent the largest indigenous black communities in Canada, in Preston, North Preston, Cherrybrook and Lake Loon. The Preston communities have a rich and compelling history. It has contributed greatly to the culture of Nova Scotia and indeed all of Canada. Unfortunately for the rest of the country, much of this cultural heritage has been unwritten, instead being passed on from generation to generation by word of mouth.

Students of Cole Harbour High have sought to change this by using modern communications technologies. As a project for Black History Month students have created a site on the Internet's world wide web to give millions of computer users across Canada and around the world a glimpse of this rich heritage.

I ask the House to join with me in congratulating the students involved in this project for their tremendous efforts to bring Nova Scotia's black history to the world.

* * *

[*Translation*]

TAXATION

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ.): Mr. Speaker, we cannot accept that, in his budget, the Minister of Finance is once again attacking the poor while leaving untouched the tax privileges enjoyed by the rich in our society.

That approach, which proposes no tax reform, perpetuates inequities. There is nothing in this budget to eliminate the tax treaties signed with countries considered tax havens, thus allowing large corporations to avoid taxes. There is nothing as well about flags of convenience used by Canadian shipowners and the government itself so that they can employ foreign sailors who pay no taxes to Canada.

To top it all off, the Minister proposes to tackle family trusts only in 1999, while rich families use this loophole to avoid paying their fair share to the government. As radio anchorman Joël le Bigot said, if you hit the humble, you are ready for the federal government.

[*English*]

THE BUDGET

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, yesterday the finance minister delivered his budget and in so doing missed a glorious opportunity.

Canadians want hope. They want truth. They want leadership. But where is the hope when we discover that the compound interest on the deficit the finance minister is projecting, on top of our already huge debt, will cancel out the savings from the cuts announced by the minister? The minister could not even muster the strength to tell us when we will have a balanced budget.

Canadians want the truth. They want to know what will happen to their social programs as compound interest continues to eat up an ever larger share of their tax dollars simply because the government could not make the hard decisions in the budget. On this issue the minister is silent.

Finally, they want leadership. They want a government that will make personal sacrifices. Canadians resent a government that cuts the public service, ups taxes and allows overspending to jeopardize old age security but does not have the character to give up what is the richest, most extravagant pension plan that taxpayers' money can buy.

* * *

AGRICULTURE

Mr. John Solomon (Regina—Lumsden, NDP): Mr. Speaker, the headline in the Regina *Leader-Post* this morning says it all in one word: devastated. This budget leaves farmers—

The Speaker: I would remind the hon. member not to use any props in the House, please.

Mr. Solomon: Mr. Speaker, this budget leaves farmers reeling in western Canada. It has the effect of a hurricane on agriculture. It will leave a trail of destruction and devastation throughout rural Canada.

It will cost rural families one-third of their net income and one-third the value of their land. Farmers work hard to put food on our tables and only ask to be treated fairly. The Liberal government responds by attacking farmers with ruthless cuts.

The minister of agriculture has betrayed rural Canadians by taking away the Crow benefit, reducing dairy subsidies by 30 per cent and abandoning more rail lines.

Farmers are now trapped between dwindling incomes and little prospect of selling their farms. The treatment the government has shown to rural Canada is unforgivable and will cause

permanent damage to what was once the proud breadbasket of this land. This is a devastating budget for western Canadians and a shameful day for a Liberal government that promised more.

* * *

NATIONAL FORUM ON HEALTH

Mr. Pat O'Brien (London—Middlesex, Lib.): Mr. Speaker, with Canada's health care system at a crossroads, the Prime Minister has wisely established the National Forum on Health to develop a vision for Canada's health system into the 21st century. This vision must be capable of achieving a balance between care and health promotion, prevention and protection measures.

From various backgrounds and regions of the country, members of the health forum are seeking to identify national priorities and encouraging dialogue among Canadians on medium and long term health issues. Over the coming months they will focus discussion and assist in developing strategies to improve the health of Canadians.

I am proud that a member of the London community was appointed to the health forum. Ms. Shanti Radcliffe brings to the forum her experience in community based health for youth, women, seniors and immigrants. I commend Ms. Radcliffe and all members of the health forum as they help to ensure Canada has the best health care system in the world.

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THE BUDGET

Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.): Mr. Speaker, Guelph—Wellington residents wanted responsible deficit reduction and spending cuts and the Minister of Finance has responded.

They know it is easy to cry for cuts but more difficult to ensure that any deficit reduction is fair and equitable. The budget ensures fairness. They know it is easy to criticize, but more difficult to make the good and necessary decisions which the government has made. They know that it is easy to release figures and offer ideas based on principle rather than reality. Yesterday's budget recognizes that deficit reduction will affect the lives of real people.

The people of Guelph—Wellington are not looking for the easy solutions found in 1–900 numbers and cable programs. They believe in this country and our ability to overcome our problems. They want Canada to succeed. They wanted a tough budget. They wanted spending reductions. They wanted fairness. For their sake, we have delivered.

* * *

[*Translation*]

REFERENDUM DEBATE

Mr. Nick Discepola (Vaudreuil, Lib.): Mr. Speaker, a sovereign Quebec would be a country of intolerance, where democracy would be trampled on and ideological dissidence could be equated with treason, depending on the outcome.

• (1405)

When someone like Bourgault brands as racist the anglophones who would democratically vote against their proposal, that is one thing. When someone like Landry says that there is no place for multiculturalism in Quebec society, that is another, but when a democratically elected member of the House maintains that newly arrived Quebecers should not have the right to express their views or vote on such a vital question as the future of their country, that is unacceptable.

On behalf of all English–speaking and newly arrived Quebecers who have chosen to settle, to live and to raise their children in Canada and in Quebec, I demand an apology from the hon. member for Louis–Hébert.

I want to remind the Bourgaults and the Parés of this world that they also come from—

The Speaker: Dear colleagues, when making such statements or expressing such views, we must refrain from attacking individual members of this House. I would ask each of you not to use the names of the members of Parliament, just the names of their riding.

* * *

OLD AGE SECURITY

Mrs. Madeleine Dalphond–Guiral (Laval–Centre, BQ): Mr. Speaker, yesterday, the Chrétien government announced in its budget that it intends to cut pensions—

The Speaker: Dear colleague, please do not use the name of the hon. member.

Mrs. Dalphond–Guiral: Yesterday, the Liberal government announced in its budget that it intends to cut old age pensions as early as 1997. The budget tabled yesterday is proof positive that the biggest threat to old age pensions and social programs comes from the federal government, not the Quebec government.

Judging by the government's actions, this direct attack on the elderly, the unemployed and welfare recipients is only just beginning. The chairman of the no side, Michel Bélanger, who has been trying to scare people by saying that the nasty separatists want to cut old age pensions, must truly be disheartened.

We are anxious to hear his perceptive analysis of the federal budget.

* * *

[*English*]

INDIAN AFFAIRS

Mr. John Duncan (North Island—Powell River, Ref.): Mr. Speaker, the Auditor General recently stated some program spending of the department of Indian affairs fails to meet strategy objectives, exhibits management inadequacies, lacks appropriate performance and evaluation information and thus impedes accountability.

In addition, the department has not published an annual report since 1992. This deprives us of an opportunity to properly scrutinize efficiency of program delivery.

The federal budget calls for spending reductions in all federal departments except for Indian affairs. The government is asking Canadians to share in deficit reduction yet is increasing spending by 12 per cent over three years for Indian affairs. Much of Indian affairs' program spending is outside of constitutional, legal or policy commitments.

Given these concerns, the budgeted increase in Indian affairs funding is unacceptable and unfair.

* * *

THE BUDGET

Mr. Harold Culbert (Carleton—Charlotte, Lib.): Mr. Speaker, the Minister of Finance tabled the government's budget yesterday. This budget, along with the one tabled in 1994, established the challenge and goal of the government: to bring the deficit and debt under control.

Canadians have requested and supported a combination of cuts in government spending and the continuation of our agenda of jobs and growth: growth that has led the G–7 countries over the past year and growth that will continue as a result of this strong budget.

The measures taken in the budget ensure we will reach our deficit target of 3 per cent of gross domestic product that was outlined last year.

The minister has produced a fair and equitable budget to provide social programs for Canadians' needs and the spending reductions they require.

Congratulations to the Minister of Finance for his dedication to controlling the deficit and debt and building the confidence of all Canadians.

* * *

• (1410)

AGRICULTURE

Mrs. Marlene Cowling (Dauphin—Swan River, Lib.): Mr. Speaker, this has been a tough budget but it had to be done. And true to our commitment it has been done fairly.

The best time to make cuts is during periods of growth. In the agricultural sector, prices are increasing, export markets are expanding and producers are in an excellent position to adapt to change.

The buyout of the Western Grain Transportation Act, the WGTA, with tax benefits, will put $2.2 billion in the hands of prairie farmers this year. We will ensure those dollars are paid out in a fair and equitable way.

I am confident that the men and women of Canadian agriculture will continue their proven track record of adapting to the constant changes of their industry to ensure that Canada remains a world leader in agricultural production.

* * *

[*Translation*]

THE BUDGET

Mr. Martin Cauchon (Outremont, Lib.): Mr. Speaker, I want to congratulate the Minister of Finance for the excellent budget he tabled yesterday. It seems that the money markets were pleased with the resolve the minister showed in his fight against the deficit and their reaction was quick.

Indeed, the Bank of Montreal, the Laurentian Bank and the mouvement des caisses populaires Desjardins have already announced a reduction in their prime rate. In light of this initial reaction we can expect a drop in mortgage rates in the short term, which will contribute to a much needed recovery in the construction industry.

Such good news should reassure Canadian consumers and sustain our present economic growth. Congratulations to our Minister of Finance and to our government for sticking to their commitments.

* * *

THE BUDGET

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, Quebecers now know what to expect from Ottawa in this referendum year.

Far from proposing a decentralisation of powers, yesterday's budget shows that Ottawa still refuses to retreat from areas of provincial jurisdiction. In fact, Ottawa seems determined to step up its interventions, particularly in the area of job training.

The only thing the federal government has transferred to the provinces is the deficit. With yesterday's budget the federal government has tried to shift the burden of the deficit to the provinces: $2.5 billion next year, $4.5 billion the year after.

The federal government wants to delay until after the Quebec referendum the bulk of the cuts in transfers to the provinces and in federal services to the public. That would be the real cost of a "no" in the referendum, the real cost of the status quo.

[*English*]

AGRICULTURE

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, Reformers have always recognized the need to cut government spending and the need to empower people to take care of themselves when they are able to do so. Reformers also believe that before cuts are made, barriers should be decreased and flexibility increased so that people are able to do well in a freer market setting. Farmers share this vision.

Yesterday Department of Agriculture spending was cut substantially. Farmers and industry leaders say these cuts will be difficult but recognize they are necessary.

I am concerned however that in moving toward a more market driven system, the government has not removed regulatory barriers and has not allowed for increased efficiencies. Without these changes farmers and industry will be crippled instead of strengthened by these funding cuts.

In order for farmers to adapt to new fiscal realities they need stability, predictability and certainty. Farmers need the freedom to recoup some of the losses incurred by this budget. The government has failed to deliver.

* * *

[*Translation*]

RIDING OF BROME—MISSISQUOI

Mr. Denis Paradis (Brome—Missisquoi, Lib.): Mr. Speaker, this is the first time I rise in this House and I want to take this opportunity to thank the people of Brome—Missisquoi for placing their confidence in me in the February 13 byelection.

I want to reiterate my commitment to make every effort possible to deliver the high level of service my contituents expect.

[*English*]

I am proud to join the forces of the Liberal Party of Canada in the House of Commons. I have asked the constituents of my riding to have confidence in the government. After less than a week on Parliament Hill I see the government will not let the Canadian population down.

The delicate financial situation of the country urgently needed to be addressed. A courageous and fair budget has been tabled. The country is now on the right track.

• (1415)

[*Translation*]

Senior citizens are protected, the tax burden of low and middle income families has not increased and the government will be streamlined and better managed. I undertake to be actively involved in the job creation and economic renewal process in the riding of Brome—Missisquoi and I want to thank my colleagues in the Liberal caucus who have already assured me of their support in the pursuit of these goals.

ORAL QUESTION PERIOD

[*Translation*]

THE BUDGET

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, in its prebudget marketing blitz, the government announced that it would table a budget for a new Canada. The Minister of Foreign Affairs even went as far as to say, with a reformist zeal very uncharacteristic of him, that the status quo would no longer be an issue after the budget. However, what the promised decentralization really boils down to is Ottawa continuing to withdraw its funding for health, post–secondary education and welfare.

My question is for the Prime Minister. Where is this new Canada that was announced with great fanfare when all the government did yesterday was to offload $7 billion or so more onto the provinces?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, in the budget tabled yesterday, we decided to give provinces much more flexibility in the administration of their programs and we are trying to improve the situation for everybody. It will be easier for provinces to establish their programs themselves, provided they respect the aspirations of all Canadians, that is that there be minimum programs for all Canadians so that the dignity of persons will be respected across Canada. I think this budget reflects the willingness and capacity of this government to propose changes.

Hon. Lucien Bouchard (Leader of the Opposition, BQ.): Mr. Speaker, how can the Prime Minister have the audacity to claim that while depriving provinces of $7 billion he gives them more flexibility and more capacity to innovate in social programs, when provinces already have an extremely difficult time dealing with their growing expenses in the areas of health, social assistance and education?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, provinces had been asking us for a very long time to remove certain conditions which applied to the administration of social assistance programs, and that is what we are now proposing.

As for health care services and the five conditions set in the federal Health Act, everybody in Canada agrees that they should be maintained because they are the very essence of our society and they give people access to the same health care system, regardless of one's financial circumstances.

In any case, we had to be fair in our budget. We could not cut federal government's operating expenditures systematically and not cut transfer payments to provinces. It is only a matter of treating all government programs fairly.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, the Prime Minister said he tried to be fair in his budget. I wonder if he was thinking of Quebec when he said that, because criteria in documents of the Department of Human Resources Development already indicate that Quebec will bear the brunt of transfer payments reductions, with 41,7 per cent. Is that fair? Quebec is being taken to the cleaners.

Mr. Loubier: Yes, 41 per cent. Some fairness. Talk about fairness.

Mr. Bouchard: How can the government display that kind of arrogance, given the duplicity of its present attitude, on the one hand, proclaiming its determination to maintain the principles of universality and accessibility, and on the other, drastically cutting its contribution to programs?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, program spending is being reduced at all government levels. Last December, if I am not mistaken, members of the present Quebec government, the opposition leader's friends, cut $600 million from health programs. We are doing the same, because cuts are necessary and all levels of government must benefit from those cuts.

• (1420)

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, in his budget, the finance minister announced that all transfer payments to provinces would be rolled into a single comprehensive transfer called the Canada social transfer. He set at $7 billion the amount of additional cuts in transfer payments in the next three years, but he did not specify how those payments would be distributed in 1997 and subsequent years.

How can the finance minister decide on such drastic cuts in transfers and casually postpone discussions with provinces?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, it is not a question of putting off the discussions. We are willing to initiate them tomorrow if the provinces are ready. This is quite clear. In fact, we said so during our meeting with the finance ministers. I invited the provincial finance ministers to join me immediately after the budget speech, and I am ready to meet them anytime they want. There is no question of postponing the discussions.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, by postponing, as the minister says in the budget, the negotiations with the provinces on the distribution of transfer payments, is the Minister of Finance trying to conceal from Quebecers before the referendum the negative impact of the new Canada social transfer because it is Quebec which will lose the most, 41 percent of the transfer payment cuts in 1997?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, to begin with, the figures mentioned by the member are totally false.

Second, if you want to know, the cuts in Quebec, in 1994–95 and 1996–97, will amount to $350 million. These are not ridiculous figures like the ones mentioned by the member.

As for the discussions and the fact that he believes we will postpone them until after the referendum, we said in the last budget that we would inform them instead of surprising them like the former government did.

Is the member suggesting that we should proceed immediately? I believe Mr. Campeau will not be very satisfied with that.

Third, tell us when the referendum will be held, let us hold it and then we will be able to solve our problems.

[*English*]

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, in yesterday's budget the Minister of Finance pledged to get the federal deficit down to $24.3 billion by 1997.

Meanwhile officials of the Department of Finance have been predicting to reporters and the financial markets that the deficit will then be reduced to zero by the year 2000.

However, yesterday's budget was silent on the all important question of how the minister proposes to get from a deficit of $24 billion to zero in three years.

Will the minister tell Canadians and tell the House today how he plans to get the deficit from $24 billion a year to zero: by increased taxes, by cuts to social programs or by both?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I have said countless times in this House that in terms of government by far the best way of hitting targets is through a series of short term targets that keep government's feet to the fire.

That is by far the best kind of spending control that any government can have. It is the reason that we hit our target this year. It is the reason that we are going to hit our target next year and it is the reason that we are going to hit our target the year after.

I will tell members what this government does not want to do, and that is bring in a budget like the Reform Party did based on phoney assumptions and false input which does not attain its objectives.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the fundamental flaw in the minister's answer is the same fundamental flaw that was in his budget yesterday.

It does not come clean about the imminent threat to Canada's social programs from rising interest payments. Under the minister's budget plan program spending will be reduced by $12 billion over three years, yet the interest on our debt will grow by $13 billion to $51 billion a year in 1997. The reality is that the interest payments are growing faster than the ability to either cut or raise revenue.

• (1425)

My question to the finance minister, and this is just looking for a straight figure, is can he tell Canadians how many billions of dollars per year they will be paying in interest in the year that the budget is finally valid?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the member opposite knows that his question is nonsense. We have said that we are going to get to a balanced budget through a series of short term targets and therefore obviously we are looking at the ultimate thing.

I cannot believe that once again this party stands up and talks about preserving social programs when last week it brought down a budget which said that the ultimate purpose of it was to make sure that every poor Canadian stays poor and that the middle class becomes poor.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the minister claims that his budget protects social programs from unfair unnecessary cuts, but the real social cut is lurking in the massive unnecessary interest charges that this government is irresponsibly building by not attacking the deficit more quickly.

This means that when Liberal social cuts come, as they will, they will be bigger and more desperate and more destructive than Canadians could imagine.

Will the finance minister honestly admit to Canadians that he has put social programs in the gravest of jeopardy by failing to balance the budget more quickly when he had the chance?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the way to clean up this nation's finances is to bring in a budget that brings federal spending down from $120 billion in 1993–94 to $108 billion by 1996–97.

The way to deal with the nation's finances is to have program spending at 13 per cent of the total, which is the lowest number since 1951. The way to preserve social programs is to make sure that the party which said it would claw back the old age pension from people on the guaranteed income supplement never takes power.

Some hon. members: Hear, hear.

[*Translation*]

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, my question is directed to the Minister of Finance.

The budget tabled yesterday provides for additional cuts of $7 billion in payments to the provinces over the next three years. By transferring an additional $7 billion shortfall to the provinces, Ottawa is again downloading part of its deficit.

Would the Minister of Finance agree that the additional cuts his government has ordered in transfer payments to the provinces will inevitably cause either a reduction in services to the public or an increase in provincial taxes or a combination of both?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, not at all. At our meeting with the finance ministers, they asked us, first, to give them at least one year's notice: no surprises. And we did that.

Second, they asked us to cut our own spending first and to cut more than we would cut in payments to them. In 1996, for instance, there will be a 7.3 per cent cut in federal spending and only a 4.3 to 4.4 per cent cut in payments to the provinces. If we consider the province of Quebec, it is only $350 million compared with this year. So these cuts are less than 3 per cent of provincial revenues, and I think that is reasonable.

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, the minister's figures are wrong. He is looking at total transfers, and he knows perfectly well he is only cutting cash transfers.

Would the Minister of Finance confirm that the cuts in transfer payments to the provinces he ordered yesterday will result in a shortfall of over $2.5 billion for Quebecers, three years from now?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, compared with this year, it is $350 million.

• (1430)

[*English*]

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, during the 1980s Michael Wilson used to deliver budgets that contained the same rhetoric and projections of stable debt to GDP ratios as did the budget tabled yesterday. As

analysts said then and are saying now, planning for stable debt to GDP ratios during prosperity is not sufficient.

Why would not the next inevitable economic downturn again increase the deficit and once again put the country on the unsustainable path of a growing debt to GDP ratio?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the hon. member's premise is wrong. First, when Michael Wilson brought down his budget his cuts were not real. As the member knows, they were simply cuts from rising reference levels.

Second, Michael Wilson did not do it according to any kind of vision of the country or sense of priorities. They were simply blind cuts across the board.

Third, Michael Wilson never hit his targets and we have.

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, Michael Wilson was also in the very fortunate position of having had a debt of only $250 billion rather than $550 billion.

The absolute spending cuts of $10 billion in the budget just about match the expected increases of $9 billion in the cost of servicing the debt over the projected budget period. The expected revenue increases due to prosperity and tax increases amount to a staggering $12.7 billion.

Does the minister expect similar spending cuts and revenue increases in the next budget to simply maintain the debt to GDP ratio?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, as the hon. member knows, in 1996–97 the debt to GDP ratio will not only stabilize but it will commence a downward track which, may I assure the member, is going to be permanent.

The member has raised a very important question. The debt to GDP ratio is a very important target. It is one that we are very conscious of and we will keep it down.

The member refers to the level of debt that I have to deal with compared to Michael Wilson. There is another difference between Michael Wilson and me. Michael Wilson had the good fortune to take over after a Liberal government. I had to take over after the Tories.

[*Translation*]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the government did not dare reveal in its budget its real intentions with regard to old age pension reform, preferring to put off yet again a study that was to be published last year.

Would the Minister of Finance confirm that his government intends to reduce old age pension benefits for thousands of Canadians and in fact limit access to the plan for thousands of seniors?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, not at all. The answer is a definite "no". What we do intend to do is study the Canada Pension Plan fund with the provinces, and, at the same time I am sure, they will look at the Quebec Pension Plan fund, because it is this fall that the necessary revision will have to be made. It is perfectly natural to look at them all together, with the provinces.

• (1435)

I can assure you and I can assure the hon. member that we intend to protect those who are most vulnerable in our society, our senior citizens.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, you understand how surprising it would be if the Minister of Finance were to set up a committee to raise old age pensions. I would be very surprised.

Will the Minister of Finance acknowledge that if he is not revealing the terms of his proposed old age security reform right now, it is because he does not want seniors to know his intentions until after the referendum in QQuebec?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, legislation has for a long time included a schedule to review the Canada Pension Plan fund and the Quebec Pension Plan fund every five years. We were not the ones who established the schedule. I repeat again, tell us when you will have the courage to hold the referendum; we will resolve the problem, and then we can go on with building the country.

As you know, there are many issues to be resolved in Canada. The economy has to be managed, and perhaps I should ask the question once again. The great thinker of the great separatist movement, Richard Le Hir, stated that he was not ready to meet Quebec's liabilities as far as the debt is concerned. Is that the position of the Bloc Quebecois? Is there still a difference of opinion?

[*English*]

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, Canadians were promised a plan by the government to preserve and protect our future social security while dealing with fiscal reality. They never received such a plan. Yesterday the budget promised yet another discussion paper from the Minister of Human Resources Development.

My question is for the finance minister. Why should Canadians entrust social program reform a second time to a process and a minister who have done nothing but fail them in the past?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, the hon. member, once again with the hope of trying to obtain some kind of rhetorical response, does not know what she is talking about. I regret it because we are dealing with very serious matters.

As the budget clearly outlined yesterday, we have clear plans and initiatives on social reform. There will be major legislation this fall on unemployment insurance. We established a new human resources investment fund in yesterday's budget that will give us the flexibility to begin initiating now many of the reforms that were proposed.

We have already begun reorganizing the Department of Human Resources Development to begin to decentralize its delivery in a very different way so that we can begin to end duplication and overlap. We have initiated a new transfer program that will again eliminate duplication and overlap with the provinces.

It seems to me that is an awfully good start at social reform, much better than anything the Reform Party has offered.

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, I did not realize the minister expected the Reform Party to do his job for him.

Speaking of serious matters, the minister knows that every dollar borrowed today means two dollars in cuts tomorrow. Worried Canadians are asking: "What will this do to our social programs?" What answer does the finance minister have to give them?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, it is very clear. The major difference between the Reform Party and ourselves is our deep belief in the social fabric of the country.

• (1440)

There are those in the House who simply feel that cutting is an accounting trick, balancing the books and not balancing the needs of a nation. That is not the view of the government.

The government is cutting the deficit, not because we think people should be without but because we want to preserve social programs and the legacy of the Liberal Party.

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, after making cuts to unemployment insurance of $5.5 billion over three years in his first budget—and the unemployed have not yet fully felt the effect of these cuts—the Minister of Finance is not letting up, cutting an additional 10 per cent from the unemployment insurance budget for next year.

Does the finance minister realize that these additional cuts he has announced for unemployment insurance will deprive the unemployed of at least $700 million more in 1996–97?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, the hon. member should first look closely at what was in the budget papers and at the kinds of initiatives we have talked about in reforming unemployment insurance.

The reform of unemployment insurance is a way of trying to change a system to help people get back to work, to take away many of the disincentives in the system, and to give people real resources to get good training, good counselling and good programs. To do that we can use the money from the savings we are about to introduce as part of the legislation.

The hon. member is totally wrong. The fact of the matter is that we want to convert unemployment insurance into an employment insurance fund to give people new hope, new jobs and new opportunities. That is what the reform is all about.

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, while the Human Resources Development Committtee was travelling, we were told repeatedly that it was not merely a question of training but of jobs, real jobs. And yet this budget contains nothing about employment.

How does the finance minister dare demand an additional sacrifice from the unemployed, to the tune of at least $700 million, when he has imposed a temporary tax of $100 million over two years on banks and financial institutions although we know that the Royal Bank alone recorded profits of $1.2 billion last year?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, as the minister just said, the best way to create jobs in Canada is to move away from passive support toward active assistance to give workers the tools they need.

The best way to achieve this is to reduce unemployment insurance premiums so that small and medium size businesses can afford to hire new employees. Thirdly, the best way to achieve this is to keep economic recovery rolling. We created 433,000 jobs last year, and this year, we will match that number.

[*English*]

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of Industry.

Yesterday's budget established a path for solid economic growth. It lived up to the commitments that were made in the election. One of those commitments was job creation through small and medium size businesses.

Would the Parliamentary Secretary to the Minister of Industry expand on what the budget does to address the concerns of small and medium size business?

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, the greatest hope we have for putting Canadians back to work rests with small and medium size businessmen and women in the one million enterprises that employ close to 70 per cent of the nation.

In the budget the Minister of Finance did three very specific things for small business. First, the small business corporate tax rate was not touched. Second, the $500,000 capital exemption was not touched. Third and most important, the Minister of Finance announced last night that the chartered banks of the country would be brought to task for their relationship with small and medium size business.

• (1445)

Today the chairman of the Standing Committee on Industry announced that within the next two and a half weeks the presidents of all the financial institutions in this country will come to the committee to report on what they are doing for small business.

That is how we will create jobs.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, hidden in the bowels of this Liberal budget are gas taxes, a 2 per cent interest increase on penalties, UI premium surplus revenues, and elimination of PUITTA transfers just to name a few. Does the minister admit that he is digging deeper and deeper into the pockets of middle income Canadians?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, we have just spent a year and have finally quite satisfactorily solved alternative fuels in terms of ethanol.

Some hon. members: Oh, oh.

Mr. Martin (LaSalle—Émard): Mr. Speaker, I wish I had never started on this. I am being sandbagged.

The Speaker: We have bowels on one side and bags on the other.

Some hon. members: Oh, oh.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, on a more serious note, the minister prides himself on being open. He does talk about a 1.5 cent per litre gasoline tax but surprise, surprise, there is a tax on this tax: the GST. Would he agree that this might be a tactic which would be considered deceitful by some Canadians?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): No, Mr. Speaker, clearly not. Canadians understand quite well those areas in which the GST is applied. With the budget now behind us, we look forward to dealing with the GST question this year.

[*Translation*]

Mrs. Pierrette Venne (Saint–Hubert, BQ): Mr. Speaker, my question is for the Minister of Finance.

Faced with new spending cuts, the Minister of National Defence announced yesterday that the headquarters of the land component of the armed forces and the facilities at Saint–Hubert would be closed. According to the newspaper *La Presse*, because of this decision, 400 people will lose their jobs, half of those civilians.

After closing the Saint–Jean military college last year, how can the Minister of Finance justify the decision to shut down these facilities and the base at Saint–Hubert, while we know that Quebec is under–represented when it comes to armed forces facilities and spending, and is getting at least $650 million less per year in this area than it should?

[*English*]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the House of Commons and Senate special joint committee on defence recommended that to save money we eliminate one command structure within the armed forces. In yesterday's budget we did that by closing air command in Winnipeg, maritime command in Halifax, and land forces command at Saint Hubert.

[*Translation*]

Mrs. Pierrette Venne (Saint–Hubert, BQ): Mr. Speaker, will the Minister of Finance commit to rapidly announcing adjustment measures to help these civilians find new jobs?

[*English*]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, in last year's budget we announced the elimination of 16,500 people from national defence. Yesterday it was just under 12,000. That is nearly 30,000 people. All of these people will be eligible for the force reduction plan covering the uniformed personnel and the civilian reduction plan covering the civil servants.

There has been a 73 per cent take up with an average payout of $53,000 for those people announced last year. We envisage that these people will be dealt with fairly and humanely and will accept the buyout packages.

• (1450)

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, according to the budget estimates tabled this morning, Enterprise Cape Breton Corporation has a budget increase of 69.3 per cent. That is right, an increase of 69.3 per cent over last year. I thought the Minister of Finance stated yesterday that he was going to cut spending.

How can the Minister of Public Works and Government Services possibly justify this increase in spending in his own riding? Justify that to Canadians in the rest of the country.

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, I thank the hon. member for his question.

He should be aware that the cutbacks to ACOA and Enterprise Cape Breton come to a total of $173.5 million over a three-year period. The reductions with regard to Enterprise Cape Breton are in excess of $2.5 million, with a 24 per cent reduction in personnel in that particular office.

Mr. John Williams (St. Albert, Ref.): I thought I said it was an increase of 69 per cent, Mr. Speaker.

I also noticed in the estimates that the Department of Canadian Heritage will be spending $1.8 million on a golf course in Cape Breton.

Yesterday, the Minister of Finance said: "Cut spending". He also said that the second principle of the government is that priorities must reflect the needs of the people and that the third principle is frugality, that every dollar counts.

Does the Minister of Public Works and Government Services not understand what the Minister of Finance said, or does he refuse to give up this pork barrel way of spending?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, again I want to thank the hon. member for his question.

He should be aware that regional development agencies have been cut in excess of $550 million by the Minister of Finance. All ministers of the crown and every agency of the Government of Canada has been looked at under program review. Each and every one has had to sustain a reduction.

ACOA amounts to $173.5 million over a three year period. In that category 50 full time positions will have to be removed from the books.

Mr. Andy Scott (Fredericton—York—Sunbury, Lib.): Mr. Speaker, my question is for the Secretary of State for Science, Research and Development.

Yesterday's budget reflected the very serious fiscal situation we face as a government and as a nation. It is important in coming to terms with our deficit that we also continue to build the framework for future economic growth.

With that in mind, could the secretary of state advise the House how the budget affects science and technology funding and its future?

Hon. Jon Gerrard (Secretary of State (Science, Research and Development), Lib.): Mr. Speaker, science and technology was given priority treatment in the budget.

For example, while the budget of the Department of Industry Canada was cut by some 43 per cent, the cuts to the two granting councils which fall within the Industry Canada portfolio, NSERC and SSHRC, are only 14 per cent over the next three years. The cut to the National Research Council is only 15 per cent over the next three years.

Thus the budget is tough but fair. It has given priority treatment to science and technology which is important for our future.

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

The minister has stated that a cornerstone for his budget is regional fairness. Yet today if you are a farmer, a fisher, a small business person in a rural community or a miner, this has not just been a tough budget, it has been devastating.

Will the minister agree that it is small town and rural Canada that have been held hostage by Wall Street in this budget?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): No, not at all, Mr. Speaker.

The hon. member knows we have a debt and deficit problem. Canadians wanted us to face up to it. This action has been delayed for virtually a decade. In fact it was the very industries the member refers to and small town and rural Canada that were suffering because the Canadian standard of living was declining, not because of this budget but because governments had refused to face up to it.

In facing up to this issue we have provided rural and small town Canada with an enormous amount of hope. The hope is that now our social programs will be preserved, that the basic industries will be preserved and that Canadians will continue to create jobs. That is really what we have done in this. This is a budget for Canadians.

Hon. Jean J. Charest (Sherbrooke, PC): Mr. Speaker, my question is for the Prime Minister. It concerns the proposed—

Some hon. members: Oh, oh.

• (1455)

The Speaker: The hon. member for Sherbrooke.

Mr. Charest: Mr. Speaker, this is the longest question I have had in a long time. My question for the Prime Minister concerns page 58 of the budget plan and the granny tax.

On pension reform, the government announces it will include in its changes the provision of OAS benefits on the basis of family income. That would mean that women who are 65 and over receiving OAS would lose their OAS based on their spouse's income. Will the Prime Minister confirm this to the House of Commons?

[*Translation*]

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, my answer is that the hon. member's claim will not come true. At this point, we want to ensure that the pension plan is reviewed. We are required, under legislation enacted by Parliament, to meet with the provinces every five years. We must meet them this year to discuss that issue. We must ensure that Canada's pension plans can continue to exist for generations to come, as the Minister of Finance indicated in his budget yesterday.

Mr. Jean-Guy Chrétien (Frontenac, BQ): Mr. Speaker, my question is for the Minister of Finance. Yesterday, the minister announced that the grain transportation subsidies would be eliminated, adding that a generous compensation of close to $3 billion, which includes direct subsidies, would be given to western producers. The minister also reduced by 30 per cent the subsidies to dairy producers, who are not so lucky since they will not be getting any compensation.

How can the Minister of Finance justify such an unfair double standard: dairy producers, most of whom are in Quebec, will not get any financial compensation, while western grain producers will?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, first, there is a fundamental difference between the two. Clearly, we just eliminated the Crow benefit. However, as regards subsidies to the dairy industry, the Minister of Agriculture is in Quebec City today to meet with association officials. We did not abolish that subsidy: we reduced it by 30 per cent. I have some problem with the member's point of view, but I do understand it. We have to be consistent. We did reduce the subsidy by 30 per cent. May I quote the Leader of the Opposition when he took part in a debate with Joe Clark? Mr. Clark said:

[*English*]

"We have substantial subsidies of industrial milk production. As you are going to try to make an independent Quebec more competitive, would you drop those subsidies, Lucien?"

[*Translation*]

And the leader of the Opposition replied, and I quote:

[*English*]

"If you ask me yes. Yes, we should stop doing that".

Some hon. members: Oh, oh.

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, my question is for the Minister of Finance.

While normal Canadians are taking a hit in this budget, this year's spending estimates reveal that the budgets for running the Senate and ministerial offices have been increased.

Why is it that senators and politicians continue to ride the gravy train on planet Ottawa while overtaxed Canadians have to tighten their belts?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, I believe the Senate line in the main estimates shows a $1,000 increase.

I understand that the members of the other house are still looking at possible cuts, as has the House of Commons. The chief government whip announced just last week that cuts are being made in the budget of the House of Commons. Not to mention that yesterday in the budget the Minister of Finance announced 19 per cent cuts over three years. These are the most massive cuts which have been made in government expenditure in modern times. In addition to that 19 per cent, a 33 per cent reduction in the MPs pension plan has been made in one year.

* * *

• (1500)

PRESENCE IN THE GALLERY

The Speaker: My colleagues, I would like to draw your attention to a person in the gallery who is no stranger to this House. He is a former Speaker of this House, my brother Speaker, the Hon. Alan A. Macnaughton.

Some hon. members: Hear, hear.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed consideration of the motion that this House approves in general the budgetary policy of the government; the amendment, and the amendment to the amendment.

Mr. John Harvard (Winnipeg St. James, Lib.): Madam Speaker, I want to offer my congratulations to the Minister of Finance on his presentation of yesterday's budget, a budget in my opinion that was fair and balanced. I think it meets the first test that was put down by all Canadians, that it had to be fair and balanced, fair to all Canadians, all individuals and all regions. The finance minister has succeeded in doing that, at the same time making a major effort in bringing down the deficit and the debt and getting government right for the first time in a good many years.

I rise in the House today not only to address the budget which was introduced yesterday but also to comment on a disease which I see gripping Canada, a disease which becomes more visible and widespread during events like this budget debate. It is a disease born from a lack of understanding, compassion and acceptance. It is a disease which focuses on self. It is a disease perpetuated by individuals, businesses, media types and hon. members alike. I am referring to what I call the culture of victimization.

This culture is both painted and exacerbated with brushes almost exclusively from the political right. I believe that in the last 10 years there has been an alarming increase in the perception that we, each and everyone of us, is a victim. Canadians are victims. We live in fear of further victimization. In truth, I believe that this paranoia has created a society in which we are all victims of something out of necessity.

We are victims of crime. We are victims of taxes. We are victims of government. We are victims of big corporations. We are victims of interest groups. We are victims as westerners. We are victims as Quebecers. We are victims as easterners. We are victims if we speak English. We are victims if we speak French. We are rarely just people who share a single common bond. However, we do have that common bond. We all are Canadians. It is this undeniable fact that we are all Canadians upon which the Minister of Finance has based his budget.

• (1505)

The $7 expenditure reduction for every dollar in new tax revenue is not a burden attributable to one type of Canadian but to all Canadians. If we are all affected, can we possibly all be victims? As I listened to some hon. members opposite I hear those ominous words reinforcing the notion that we are victims.

Some interest groups and even provinces which did not get what they wanted from this budget have said that this government has not been straight with them. Like spoiled children, our critics demand more for themselves with little or no regard for others. At the same time they demand greater fiscal restraint and usually expect someone else to shoulder their burden.

They tell Canadians to believe, really to expect that it is the government's responsibility to make things better for themselves. It is the government's job to make life happier: "If life is not the way I think it should be it is because that big, mean government machine will not let me succeed, for I am a victim". We have all in some way contributed to the creation of this culture in which we perceive ourselves as helpless victims.

For example, economic indicators suggest that Canadians are recovering from the recession of the early 1990s. Yet a certain trauma lingers. The Minister of Finance surpassed his 1994 cost cutting goals and yet the opposition howls. Program spending will be reduced by about $10 billion and that is a benefit to all Canadians. The opposition howls again: "What about me?".

In many ways, and thanks to the critics, Canadians have become more dependent on government. Government is expected to ensure that we all have jobs and also accommodate our every whim. Government is even expected to bandage our scratches. We have become less reliant on ourselves and on our own abilities. Thus we have let ourselves become victims. We cannot think only of ourselves. Nor can we accept this characterization that we live in a culture of victimization.

Kennedy was right when he said our privileges can be no greater than our obligations. The protection of our rights can endure no longer than the performance of our responsibilities.

Reformers would have us slash and burn programs and services to all Canadians; let us cut deeper and indiscriminately. The political right in this country would never have conceived the notion of compassion and human understanding as demonstrated by the introduction of the new Canada social transfer to the provinces.

It is true that money to the provinces will be reduced as a means of getting our financial house in order. This action cannot and should not be viewed as an indirect means of attacking individuals. Rather, such action demonstrates our commitment to getting government right by reducing overlap and duplication.

Canadians are being presented with the opportunity to help create and develop a more mature fiscal federalism. Through initiatives like the Canada social transfer the government has met the requirements needed to accommodate citizens' con-

cerns for more sustainable programs and provinces' concerns for greater flexibility.

Keep in mind that the Minister of Finance has taken into account that change requires a period of adjustment. This government has not lost sight of the individual faces which will be affected in this budget. This government does not intend to perpetuate the notion that we live in a culture in which we are victims.

Reformers in their budget played on the fears of those who see themselves as victims. Some members opposite would have us believe that if we simply cut, cut, cut then everything will be better. At the same time Reformers will not commit to one course of action. If you do not like where we have made cuts, then the response is simple: make your own cuts. They had better add up to the bottom line. Such a nonchalant, bottom line approach implies that wherever the greatest burden exists according to your own criteria, cut that. Just make sure you meet the bottom line.

It is that kind of naive analysis which perpetuates our cultural victimization. It would be wonderful to look at our own personal budgets and cut those items which seem to cost the most. Why worry about food, clothing and shelter? According to some members it is only the bottom line that counts. Why concern yourself with being human? We simply must balance the budget regardless of the social cost.

• (1510)

These types of cuts to food, clothing and shelter are unrealistic on a personal level and are unacceptable at a federal level. We must evaluate what is important to us and from there determine where we can reduce expenditures. That is the approach taken by this government and by this finance minister.

Simply cutting to meet a bottom line would make us even greater victims. Sound reasoning and methodology were used to determine areas of waste, areas of duplication and areas lacking profitability. Through this realistic evaluation of Canada's economic house, the Minister of Finance has introduced an approach for fiscal responsibility which affirms the notion of cultural success. The government is not contributing to the disease of cultural victimization.

Essentially the third party would leave us to our own greed: "I live in the west, so I will cut services in the east". Let us be honest. Society cannot survive if we are enthnocentric. This type of self–absorbed regional attitude creates a slippery slope; we pick at the cultural threads of the Canadian fabric in a futile attempt to hang on.

What happens is that the fabric becomes warn and ripped. We must not continue to think we live in a cultural environment as victims. We must not succumb to the notion that in order to survive we must be the strongest or the most resourceful.

Reformers would have us all fall prey to this logic, a logic which would throw out the social fabric and not repair it. If use of this type of logic has as its only goal the elimination of the debt, then what this approach does is forget that each and every one of us, regardless of our province or country of origin, whether from Manitoba or Prince Edward Island, whether Yukon or Nunavut, new Canadian or native Canadian, is still a member of a community.

We cannot survive if we focus on only my needs or my wants. By virtue of our tendency as human beings to exist in groups because we are social creatures we must look beyond our own shadows.

Canadians wanted and deserved a budget which espoused the virtues of fairness and equity. The minister has accomplished that goal. Both corporations and individuals are equal partners in the fight to save Canada.

We know that the Minister of Finance is serious. That is why both individuals and corporations have been brought into alignment. Through improvements to the tax system, for example, requiring professional and other unincorporated business to pay taxes on income in the year in which it is earned, just like wage earners do, this budget has actively removed barriers which have contributed to the culture of victimization.

We are fortunate that we live in a society that enables us to exist as a synergistic entity where the whole is greater than the sum of its parts or members. I will not deny that each of us has problems, some unique to a few individuals, some to a particular region of Canada, which affect all of us.

We must be able to stretch out our arms further and run faster so that we are not borne ceaselessly into the past. We must accept our responsibilities first as Canadians. We must also realize that change is not inherently bad or negative. We must realize that we are not victims but victors.

At this point I want to congratulate the Minister for Human Resources Development and fellow federal Manitoba Liberal caucus members for their hard work and commitment with regard to this budget.

Two months ago the prospect of losing air command became a horrible possibility. However, after yesterday's budget the reality for Manitobans is less severe. Only about 350 to 375 jobs will be affected as a result of air command's closure. This is a significant difference from the anticipated number of jobs which would have been lost. Although loss of air command will be difficult for Manitobans, I am confident that once the government's reasons are understood, Manitobans will be able to accept this change.

• (1515)

Acceptance will result from a sense of fair play because it was not only air command that was closed, but naval command in the Atlantic region and army command in Quebec were also closed.

I can tell members there were people in Winnipeg who thought that we would not be fair, that we might close air command but we certainly would not close army command in Quebec. It was done because the minister and the government believe in fairness.

Manitobans will be able to appreciate that we were not singled out for cuts. All regions have been affected. We cannot forget that these closures are significant to their respective regions but we will not lose sight of the fact that an entire level of management has been removed at considerable saving to all Canadian taxpayers.

The budget introduced yesterday redefines Canada and its relationship with the provinces. Canadians are entering a new era, a significant step has been taken toward eliminating the culture of victimization which we have created. At long last, government has sought to ensure that fundamental values are preserved while appreciating the inherent differences among provinces. Through the decentralization of airports in Canada, for example, the government is preserving its role of guardian but accepts the realization that people in Winnipeg, Toronto and Barrie, Ontario are able to oversee the successful operation of their local airports.

These efforts not only remove layers of bureaucracy but also serve as positive motivation for all Canadians who are able to function within a federation and not be victims of our regional identities.

There is more to government than just cutting. There is smart government which appreciates the social, cultural and moral obligations. Perhaps now we can move beyond an attitude that asks: What do you expect in a regional country? Of course we are going to complain. Perhaps the Leader of the Opposition will come to appreciate the notion of fair play and understand that Quebec may receive $2 billion less in transfer payments but that all the provinces will experience the same kind of reductions.

Perhaps members opposite will learn something of fair play and refrain from trying to manipulate reality to suit a limited agenda. I am referring to comments made that immigrants living in Quebec should not be allowed to vote in a referendum, the question evolving to include the notion of who is a real Quebecer and who is not. We must work from our most common denominator. We are all Canadians and we should all be entitled to the pain and to the glory.

Ironically, most times, leadership is equated to economic performance. President Clinton is doing the very same thing across the border as we are doing here. He is trimming the bureaucracy and reducing the debt. Despite President Clinton's efforts the economic outlook is not nearly as positive as it is in Canada. Yet Americans seem to believe in themselves and in their ability to overcome any adversity.

In Canada, however, we are being convinced how bad it really is. We listen to the leader of the third party, who when talking with the media uses words like dishonest, cowardly and hypocritical. I wonder how we can forget that ever–ominous threat that the chickens will come home to roost. I suspect that the grassroots are having their gooses cooked. The political right would have issues decided by polls. It would be democracy by telephone. There would be no consultation, no research, no compromise or leadership. Opinion would reign supreme.

I suspect that the Reform leader would soon find out that burdening every Canadian with every decision would have a number of disastrous results, much like a grassroots guru attempting to split atoms like he splits economic hairs.

This may come as a surprise to members opposite but the reason behind democracy and having an elected representative is the notion of efficiency and leadership. To govern is to choose.

• (1520)

If we are to survive we must learn to believe in ourselves and in this great country. We must accept the economic and social realities and strive for tomorrow. Some would suggest that things can only get better, but I submit to the House that it is a subjective goal.

In the eyes of the United Nations, Canadians live in the best country in the world. In a recent Swiss survey four Canadian cities were considered among the 12 best places in the world to live. Other nations and other cultures believe in and envy the Canadian reality. The question now is: Why are Canadians so cranky? Why is it that the majority of Canadians feel victimized in one way or another?

Our challenge is to create a culture not of victims but of victors. We must nurture the creation of a culture in which we act out of compassion for others, not necessarily only for monetary compensation. Success should be measured by the results, not by the amount of money spent. Let me repeat, success should be measured on the basis of results. These results must be evaluated both according to economic criteria and social criteria. That is what members opposite fail to appreciate about the minister's budget of yesterday.

When has a Reformer asked us to think of others before thinking of our own individual interests? When has the Leader of the Opposition considered the wants of Quebecers when he muses about postponing the referendum date so as to be able to manipulate the results? This is not democracy. When will Canadians be allowed to seek appreciation and elevate their

self–esteem, receiving joy from the notion that the receiving is in the giving?

This is a budget debate, but there is more to a budget than numbers. There are the people who are affected by change.

[*Translation*]

Mr. Roger Pomerleau (Anjou—Rivière–des–Prairies, BQ): Madam Speaker, the hon. member used the word manipulating several times, as in manipulating facts and figures in our analysis of the budget that has just been brought down, and as in political manipulating with respect to the referendum. I may remind the hon. member that in Canada, political manipulation is what happened in 1982 when the Canadian Constitution was patriated against the will of a unanimous National Assembly in Quebec. The terms of the contract that binds us were changed. That is political manipulation.

I would like to ask the hon. member, since we have nothing to gain by staying in Confederation and, eventually, we will have a referendum, whether he thinks the budget that was brought down yesterday is likely to help matters?

[*English*]

Mr. Harvard: Madam Speaker, there is a body of opinion in the province of Quebec that says we are committed to the so–called status quo, that the choice in the coming referendum will be between the status quo and sovereignty.

I submit there is another choice. It has to do with a progressive federalism, a federalism that is alive, a federalism that grows and evolves. Looking at the budget you can see how the federalism we have is flexible and how it can grow. The changes recommended under the Canada national transfer program give more flexibility to the provinces, which is something they have wanted for a long time.

We in the federal government want national standards and national principles and we will have them. The budget shows that federalism, as we know it, is a living thing. It is a living organism. It changes with the times. It adapts to new circumstances. It adapts to new conditions.

● (1525)

I know this will come as a great disappointment to the sovereignists that go around telling their friends that our kind of federalism is carved in stone or frozen in ice. Nothing could be farther from the truth.

[*Translation*]

Mr. Roger Pomerleau (Anjou—Rivière–des–Prairies, BQ): Madam Speaker, there is a lot of talk about flexible federalism. In 1980, Quebecers said no to sovereignty for Quebec, one of the main reasons being that we were told if we voted for sovereignty, we would have a terrific problem with debt, unemployment, the deficit and taxes. Of course we said no.

In 1980, Canada's debt was $80 billion, and now, 15 years later, it is $550 billion. Is that progressive federalism, is that flexible federalism? Would the hon. member not agree that this much vaunted federalism is "broke"?

[*English*]

Mr. Harvard: Madam Speaker, when we came to power in the fall of 1993 after nine years of Conservative rule our fiscal house was in shambles. It was not in order. It has taken us a number of months to get to where we are today. However, this budget is going to get our fiscal house in order.

If there is disenchantment in the province of Quebec or anywhere in the country, it is because we had a federal government for nine years that simply would not address the nation's finances, that would not address our national problems.

This government will address those problems. The deficit and debt will be reduced systematically and methodically. In the not too distant future we will be in a situation where there will be no deficit whatsoever.

[*Translation*]

Mr. André Caron (Jonquière, BQ): Madam Speaker, I welcome this opportunity to speak to the budget brought down yesterday by the Minister of Finance. I want to take this opportunity to inform the public that although the Minister of Finance promised to do something about the debt and tax reform when he brought down this budget, he failed to keep his promise.

Yesterday, the Minister of Finance started his budget speech by identifying Canada's two major problems. First, the Quebec referendum and second, the debt. Upon reading the budget I have to conclude that the Minister of Finance is only considering Canada's problems. Of course Quebec seems to be a problem for Canada. What is the Minister of Finance doing and what has the federal government been doing for the past 20 or 25 years? The federal government considered the problem, looked at it, examined it, thought about it, but did nothing to resolve it.

This is somewhat the case with the debt as well. For 25 years, finance ministers have been looking at the debt. Both Liberal and Conservative ministers, including Mr. Lalonde, Mr. Wilson and Mr. McEachen have had a look at it. Each one has said, "It is really too bad, we spend more in Canada than what we earn. It is too bad. We should reduce the deficit. We must reduce the debt". And if we take a look at the tables, we see that Canada's debt has been growing for the past 20 to 25 years. We looked at the tables produced by the Minister of Finance following his budget, and the debt continues to grow.

• (1530)

So Canada is looking at its debt problem as it is looking at the problem of Quebec, at what for it is the problem of Quebec. I think that one of Canada's greatest weaknesses is that it looks at its problems, but never resolves them.

There is another problem in Canada as well, which the minister has failed to identify. It is a problem he raised in many speeches during the elections—the problem of jobs, the problem of unemployment. During the elections, Liberal Party material spoke of jobs, jobs, jobs. Today, there is no more talk of jobs, the word is debt, debt, debt and cut, cut, cut. The problem of the unemployed is far from the mind of the Minister of Finance.

Looking at my own region, my city, my riding, an industrial area which has been under direct attack for about ten years, all the restructuring, modernization of businesses, new technology, have left unemployed people who had worked for big business for years, earning average or even above average salaries. These people have been unemployed for a year for a lack of specific policies to help them get retrained. Now they are turning to welfare.

This budget contains nothing for the unemployed. It contains absolutely nothing to give them hope for the future. There is indeed talk of possibly reforming unemployment insurance while at the same time cutting the program by 10 per cent. There is also talk of reform providing for the unemployed to train for new jobs.

This seems to be a roundabout way of presenting minister Axworthy's famous unemployment insurance reform, a two–tiered unemployment insurance system, what someone in my region described as generous UIC and miserly UIC. Some people in Canada will have to make do with the miserly version of UIC. When I look at the finance minister's budget, it is these people I think of. What is new in this budget for the unemployed, persons on welfare, fully trained young people trying to find jobs?

Training is not the issue for young people. For young people, it is a point of fact: they are trained in leading edge technologies. Take the young people trained in technical fields at the Jonquière CEGEP, for example, they have been trained in every advanced technical area. These people should not have any trouble finding jobs because they are competent and have all the necessary training. But they cannot find jobs. Why not? Because there are no jobs.

There is no work for people looking for it. Even to restore employment to levels we had before the economic crisis, we would have to create 400,000 jobs in Canada. With those jobs, we will find ourselves where we were three years ago, and furthermore, this does not include newcomers on the job market.

I was surprised when the Minister of Finance said that Canada's two biggest problems were Quebec and the debt and that he did not mention unemployment.

Now to the budget: what is the verdict? This morning's papers ran stories on people who are happy and who say the economy will finally have room to breathe. That was the title of an editorial from *La Presse*. Before the budget, people were saying that these were hard times, that Canada was on the road to bankruptcy and that its credit rating was going to be downgraded. After the budget, people are now saying that things have improved, and accounting associations have given the Minister of Finance a mark of 80 per cent. Therefore, all is well. But who is telling us that this is because of the budget?

• (1535)

Big business, banks and brokerage houses that sell Canadian bonds, in fact, all of the people who gain from the system. They are well paid and work in a sector where the economy is well developed: the financial sector. While this sector often does not generate much wealth, it plays with it, taking a cut from it in passing. Those people are happy.

Two insights into this comment. Firstly, these people are happy because they see that the budget contains a solution to the debt problem. Curiously, a budget that appears to close certain debt–related gaps is enough to make the other problem—that Quebec is one of Canada's major problems and may scare off potential investors—disappear. They are not saying that Canada has succeeded in solving the Quebec problem, but that Quebec is simply no longer a problem. That is something I have noted.

What do ordinary taxpayers think about the budget? I have the impression that they simply feel relieved because they avoided major cuts this time. Of course, they will pay a little more for gas. Dairy producers in Quebec will see their subsidies reduced, by $2,000 or $3,000 in some cases. It is still a significant amount. Some taxpayers may have to pay a little more in taxes but, in general, taxpayers feel that they have avoided the worst.

But what about all the others, those who have been forgotten, that I mentioned earlier, those looking for jobs or trying to improve their socio–economic status in Canada? Those people are not praising the budget in newspaper headlines. They are not heard. They are silent.

In the last few years, Canada's major newspapers, whether in Quebec or in English Canada, have been paying significantly less attention to those people than they did in the 1970s. Probably because owners have succeeded in selling a little more their philosophy that the state should intervene less and less and let the disadvantaged and less fortunate in society fend for themselves.

This philosophy has spread to the newspapers where everyone has good things to say about the budget. Where are the budgets that used to take care of the less fortunate without excessive spending? This is not done anywhere in this budget.

And there are other things that must not be forgotten. We must not forget that, according to the Minister of Finance, this budget was aimed in a way at restructuring Canada to a certain extent through decentralization. They said that Canada was too centralized, that it was too costly, that they wanted to shift some responsibilities to the provinces.

They are transferring certain things to the provinces. In the next two years, they will transfer $7 billion to the provinces for health, education and social assistance. We note, however, that they are not really decentralizing but rather transferring problems. This is not a transfer following negotiations in good faith on restructuring Canadian federalism.

More importantly, this budget will not bring about tax reform. RRSP provisions will be tightened a bit. The large corporations tax rate will rise from 0.2 per cent to 0.225 per cent, which amounts to only $145 million. The surtax on profits will go up from 3 per cent to 4 per cent, which represents $350 million over three years. There will be a temporary tax on banks.

• (1540)

A tax which will raise about $100 million total, from all banks, when the Royal Bank of Canada alone turned profits of $1.2 billion this past year. What is $100 million as compared to the aggregate of all bank profits? Peanuts.

Why does the Minister of Finance come up with such a measure, a proposal which is almost insulting to those who pay taxes? Actually, I think this may well have to do with the public perception of a shockingly low level of taxation. Next year, the banks will again turn huge profits. Given the current interest rates and the streamlining efforts of the past three or four years, banks stand to make huge profits. So, you can expect more hoopla in the press. What will the Minister of Finance have to say? He will be able to say: "But we did impose a temporary tax on them, a special tax to bring in $100 million". That is one hundred million dollars in taxes on profits perhaps as high as $10 billion.

That is a mere one per cent. It is somewhat insulting to those who often have to pay as much as 40 or 50 per cent of their incomes in taxes. Of course, they are probably among the wealthy.

The fact of the matter is that the budget before us has not put our fiscal house in order as it should have. The tax shelter issue remains unresolved, as do the ones raised on the French television network newscast *Téléjournal*, last week, where the situation of two individuals earning $100,000 was compared. One hundred thousand dollars is not peanuts. These are wealthy people. The salaried worker would pay $40,000 to $43,000 in taxes every year, while the self–employed person earning just slightly less, thanks to all kinds of tax loopholes and tricks, and with deductions for children, would end up paying $22,000 in taxes.

When Canadians see things like that—even though they often have little sympathy for those who earn $100,000—when they compare the two situations, they realize that there is something wrong with our tax system.

Consequently, we feel that this budget is unacceptable because it does not include a major tax reform.

Let us now turn to the debt. Again, it would be one thing if there were some concrete results, but such results are not obvious. The Minister of Finance, who is not making whimsical predictions, currently estimates that the debt will be somewhere around $500 billion this year, and that it will reach about $603 billion in three years. Therefore, regardless of what the minister does, the debt will increase by another $100 billion. The interests on that debt will increase from $42 to $50 billion. As well, the deficit will remain around $24 billion in 1996–97.

So, the government talks about reducing the debt, but Canadians who are watching, and who may be prepared to make sacrifices, cannot help but think: "Sure, but the debt is still there. It will still grow. We will still have to pay high interest rates on it". Where is the improvement?

Canadian taxpayers will be even more sceptical when they find out what these assumptions are based on. These forecasts are based on the prediction that the economy will continue to grow after 1997. Therefore, the debt will continue to rise even if the economy is doing well or continues to do well over the next three years.

The budget also forecasts interest rates. I am a little surprised to see the Minister of Finance forecast interest rates two years in advance when he often fails to forecast accurately two months in advance. Whatever. Nevertheless, the budget does have to contain some numbers to make it look scientific and serious.

There is another issue that is probably scandalous and that, in my opinion, will floor the average person who ponders the issue and that is that they predict a drop in the rate of job creation. This year, it will be about three per cent; next year, it will only be about two per cent.

They forecast an unemployment rate of around 9.4 per cent. That is no low rate. In fact, 9.4 per cent represents only the unemployed workers who are included in the survey, but many of them are not. This means that regions like mine will again face real unemployment rates of 15, 16 or 17 per cent.

• (1545)

The budget tabled by the Minister of Finance offers no comfort to those who want to work to support themselves and their families.

I have two last points to make. This budget does not offer solutions to the debt problem. Why not? Perhaps because the budget is based on a number of assumptions, which do not take into account the Bank of Canada's potential influence on the monetary policy.

Many financial players say that making the monetary policy more flexible would stimulate the economy by reducing interest rates so that people could invest in and revitalize the business sector. In an approach that I would describe as doctrinaire, the Minister of Finance refuses to make any change to the monetary policy, in spite of the fact that there is no inflation, so to speak, in Canada. So, it would be time to cut some slack in that area to give the economy a chance.

I will conclude on this. I suggest there is another solution that we, Quebec sovereignists, could bring about. We think Canada is in need of economic restructuring. I think that Quebec's achievement of sovereignty, which will no doubt happen within a few years, will provide a welcome opportunity to restructure the economy, start over based on new presuppositions, review our policies and build on new bases.

For all the foregoing reasons, I will be voting against the budget.

[*English*]

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, I listened with interest to the member and noted one particular aspect. I do have a comment and one specific question for the member.

He asked about the young people and what is there for them, that there are no jobs. There is no question there are still a large number of Canadians, particularly young people who do not have jobs.

Governments in themselves do not create jobs; businesses, and particularly small businesses do. Over one million small businesses in Canada employ over 70 per cent of Canadians. They are the ones who are the engine of this economy. They are the ones who are going to help to create jobs. The member well knows that over the past year the government has assisted in the creation of over 433,000 jobs.

I looked at the economic statistics for the last year. The fact is our growth rate over the last year was 4.25 per cent, the highest in the G–7. According to the OECD, Canada will continue to lead the industrialized world in growth for the next two years. The unemployment rate has dropped below the 10 per cent level and in fact we have virtually no inflation.

The member concluded his remarks by getting back to the essence of why he is here. It has to do with sovereignty, the separatist question and the separation of Quebec.

Would the member not admit that the ability of Canada to move forward and to achieve economic growth and greater job creation depends a great deal on the confidence level of investors in Canada and the certainty that people have with regard to the affairs of Canada? Would he not agree that once the referendum question is dealt with, once this issue which has cost Canada so dearly over all these years is finally resolved, Canada's economic position will be much stronger?

[*Translation*]

Mr. Caron: Madam Speaker, I thank the hon. member for his comment and question.

With respect to his comment, I would just like to say that, when the Minister of Finance talks about job creation or when the Liberal Party was talking about job creation during the election campaign, they never said: "We will create 400,000 jobs". What the Liberal Party said is: "We will create jobs". And what the Minister of Finance is telling us is: "We have created 450,000 new jobs in Canada". I suggest he qualify this statement by saying "we contributed to the creation of", if we follow my hon. colleague's reasoning.

• (1550)

On the issue of confidence and Quebec, I do not think that shoving our problems under the carpet will resolve anything. The Quebec issue is that of a people who wants to achieve sovereignty. I could tell you a long story, but it would be the history of Quebec, to make the point that, for us, this is a culmination. And Canada will not make this problem disappear by denying this reality. A better way of dealing with this problem would be to recognize it and look at the potential impact of Quebec's sovereignty on both Canada and Quebec.

I have the distinct impression that Canada would survive if Quebec were to secede. Why not? I think that those who say that people are reluctant to invest because Quebec wants its sovereignty are just using this as a scare tactic. Interestingly, after the defeat in 1980 and the patriation of the Constitution which was supposed to create a new order in Canada, we did not experience a major boom in the economy. I remember what happened in 1982. There was a serious recession, and that was two years after Quebecers said no in the referendum. I do not think there is a relationship between the two.

But there is something I would like to say to the hon. member in closing. As long as the issue of Quebec has not been resolved, Canada will always identify this issue as a problem. I do not think that holding people against their will, scaring them and threatening them will solve the problem. Whether the answer is yes or no in the referendum, the problem will still exist and there will still be sovereignists in Quebec who will continue to stand

up for what they believe in because not only is it an emotional issue, but it is also a matter of interest for Quebec.

Mr. Philippe Paré (Louis–Hébert, BQ): Madam Speaker, for many months and in fact for a number of years, federalists have claimed that all Canada's economic ills are caused by political instability. When in recent months interest rates went up and the Canadian dollar went down abruptly, people said: It is all because of those nasty separatists.

Perhaps the hon. member would care to explain why, the day after a budget that was rather well received by the financial community, interest rates seem to be going down and the dollar seems to be going up? Why, since the Quebec problem still exists? How would he explain that?

Mr. Caron: I want to thank the hon. member for his question. Madam Speaker, I would say that the connection is tenuous and as far as I can see, non existent. We heard the same excuse after the results of the referendum on the Charlottetown accord in 1992. I remember seeing certain studies, including one by the Royal Bank which said that if Canada said no or Quebec said no, that would be the end of Canada, and I remember, this was either in the study or maybe it was a political cartoon, there would be train loads of Canadians heading for the American border to take shelter in our neighbour's economic paradise. In fact, there is no connection. If you look at the economic situation and the whole issue of Quebec's sovereignty, there is no connection between the two. Often, support for sovereignty is strong while the economy is weak, but often it is the other way around.

• (1555)

Unfortunately, some politicians are using this issue to make political gain. I deplore that because politics is a noble art, a noble science, a noble calling, and it is the art or the science, if you will, of government. It is the art or science of guiding and moving societies. When we use all kinds of tricks and excuses to try and get at our opponents and even resort to blackmail on these issues, I think that in addition to weakening our case, we also diminish our performance as a politician.

I want to thank the hon. member for Louis–Hébert for giving me this opportunity to say that I do think economic issues are linked to the question of Quebec sovereignty. I agree, but I do not agree that this very fact weakens the Canadian economy. I would say that people are waiting. People are waiting, and if we manage to reach a decision, I am sure the economy will recover, both in Canada and Quebec, and that we will then have the resources to restructure our economies and ensure that within Canada's present borders there are two countries that are comfortable financially and whose citizens will be able to work together.

Mr. Raymond Bonin (Nickel Belt, Lib.): Madam Speaker, I rise in the House today to express my support for an innovative budget that sets the Canadian economy and Canadian federalism on a new course, a budget that at the same time remains faithful to the most fundamental Liberal principles. I commend the Minister of Finance on presenting a budget that strikes a balance between the need for a quick return to fiscal responsibility at the federal level and the need to maintain what identifies us as a people, the compassion of our social programs.

Since the pre–budgetary consultations began, the message from my constituents has been clear: we must tackle the deficit, but at the same time, we must be fair and equitable.

[*English*]

My constituents have told me unequivocally that, like each household, the government must learn to live within its means. It must concentrate on reducing the deficit by significant cuts in government spending, not by increasing the burden on the middle class.

They have also told me that they wish to see increased fairness in the taxation system and a continued protection for our most vulnerable by way of efficient and modern social programs. Those same constituents conveyed to me their belief that our social programs are in need of reform to modernize them and make them more efficient and pertinent to the realities of the 1990s.

I am pleased to state that I believe this budget to be a significant first step in achieving the delicate balance requested by my constituents. However, I must say that balance is only achievable because Canadians want and are ready to support real change, a new policy direction and a new approach to governing in Canada.

Getting government to live within its means is our first challenge. Not unlike a household, a government that lives above its means eventually faces hardship.

There can be no doubt that the accomplishments of Canada and Canadians, a nation with a small population base, are unprecedented. Canadians have banded together to build the best nation in the world. Our resource base is abundant. Our population is well educated and hard working. Our private sector is dynamic and entrepreneurial spirit abounds.

Last year we led the G–7 in growth. Our inflation is low, exports are booming and jobs are being created. Our economy is on track. The fundamentals and basic ingredients for guaranteed economic success are in place.

However, our interest rates and the currency are at the mercy of the international financial markets that speculate on our ability to control public debt and deficits. Those markets have us living under a microscope and any rumour can send our interest rates upward and our dollar plummeting. Under those conditions, Canadians live under a perpetual cloud of economic uncertainty which affects personal financial decisions as well as business decisions.

• (1600)

Year after year governments have spent more than they have taken in. We have borrowed to the point where our ability to repay is in doubt. We are now at the mercy of lenders that monitor our every move. It can be said that public policy is now judged by its impact on Canadians and on our creditors, who are more concerned with our ability to repay than our aspirations as a people. In a true sense, because of the rising debt and persistent deficit we are losing control of the public policy agenda.

The budget is unprecedented in scope and comprehensiveness. It builds on last year's initiatives and sets the stage for regaining control of public finances and the public policy agenda, signalling the eventual return to our traditional focus of building a fair and just society.

The budget significantly reduces the deficit. In three years the government will have saved $29 billion. We will have reached the target of 3 per cent of GDP by 1996–97 and if private sector forecasts are correct, we will even surpass it. As the Minister of Finance has repeatedly stated, we must meet the deficit reduction target or risk remaining vulnerable to the speculation of the international financial markets.

The budget does more than set out a deficit reduction plan. It also defines a new approach to government, a new approach more in tune with the needs and challenges of the nineties.

When the government accepted the challenge of deficit reduction it rejected the slash and burn approach or the notion of across the board cuts. Across the board cuts of 20 to 30 per cent are not the key to deficit reduction for the simple reason that a 30 per cent cut in a bad program still leaves 70 per cent waste, whereas a 30 per cent cut in a good program just does not make sense.

A slash and burn approach to deficit reduction may achieve results, but more often than not at the expense of those most vulnerable. That is not our way. We believe in fiscal responsibility. We also believe in fairness. The government knows that in addition to deficit reduction, the machinery of government has to be renewed to better serve Canadians in a new economy.

The budget makes the federal government smaller while it lays the foundation for a government that is smarter, more efficient, more responsive and more focused on renewed priorities. That is the essence of a program review. Under program review the departments started with a simple question: In the nineties, what should a federal government do for the people? Those things a federal government should do are being analysed to determine the best way to deliver them.

The things a federal government should not do were either discarded as something that no government at any level should do or were determined to be best achieved by a level of government closer to the people. The end results are smaller departments, $16.9 billion in cuts from program review alone, but smarter departments with renewed mandates, a tighter focus and new priorities that will better serve the taxpayers and better support an innovative economy.

The process of reinventing the role and the machinery of government clearly demonstrates that Canadian federalism is flexible and continues to evolve to meet the changing needs of Canadians and of the new economy. We all know that well–publicized constitutional conferences at which little is produced but disagreement and divisiveness are not a viable source of change.

Change in our federation occurs incrementally, through discussion, through dialogue and through negotiation on practical issues of concern to everyday Canadians. It is at this level that Canadian federalism is flexible and responsive to the needs of all their citizens.

[*Translation*]

As a francophone from northern Ontario, I have witnessed this change. It is because of Canadian federalism, flexible federalism, that I am able to stand in this House today and speak in my mother tongue to talk of my heritage, which I have kept and enriched, and of my pride in being a French Canadian.

• (1605)

The road has not always been easy, and there have been struggles on a number of occasions. However, without Canada, without federalism, the battle would have been lost from the start.

[*English*]

A critical component of program review has always been that the level of government best positioned to deliver a service should do so. Such a bold statement clearly demonstrates that the federal government wishes to actively promote the evolution of federalism because it is in the best interest of Canadians. Federalism in Canada is not about the status quo.

That federal wish is inherent in the new transfer system to the provinces. The block funding system discards the cost sharing roles to give the provinces more flexibility in delivering programs funded in part by the federal government. This measure acknowledges the need to tailor social programs to meet the specific needs of Canadians living in different parts of the country. The 4.4 per cent reduction in transfers to the provinces is a necessary measure to help the federal government meet its deficit reduction target.

However, it must be emphasized that in 1996–97 the federal government will be transferring to the provinces $35.3 billion. I know that the majority of Canadians will agree that transfers in the order of $35.3 billion per year confirms the government commitment to equalization payments and the support of provincially run social programs. In addition, the government is always prepared to meet with the provinces to establish prin-

ciples which govern the distribution and the use of those transfers.

My experience at the local level has clearly demonstrated to me that much of the funds targeted for social programs are consumed by administration. The money directed to the poor is not reaching them because of the high cost of administration. With flexibility I am hopeful that the provinces will be in a position to lower administrative costs and get more money out of the hands of administrators and down to the people who need it. If properly managed, savings could even reach the 4.4 per cent of reductions in transfers.

Some provinces or provincial governments may try to characterize the cuts and transfers as a personal attack or downloading. I would remind those people that we have three levels of government, including the municipalities, but we only have one taxpayer. In the end, that one taxpayer does not draw any benefit from a provincial budget that is balanced by way of transfers from a debt ridden federal government.

Deficits and accumulated debts are common problems throughout the federation at all levels of government. We must learn to work together to solve them in the best interest of that one taxpayer.

As many of my colleagues have already mentioned, the budget is unprecedented in scope and comprehensiveness. It puts us on the right track for deficit reduction. For every $1 of new revenues the budget will generate, there will be $7 in cuts.

No government likes to cut but we were left with limited choices. We proceeded in what we believed to be a rational and fair way. We did not cut blindly. As I mentioned earlier, we began with non–priority areas and also sought to renew the role of the machinery of government to bring about significant savings of $16.9 billion. We applied the principle of shared responsibility to the concept of deficit reduction. To protect the more vulnerable, we asked those who could afford it to shoulder a larger part of the burden.

For example, the budget sets out massive cuts to industrial programs, business subsidies, regional development agencies, transportation subsidies. There are also significant cuts to defence, natural resources and Canadian heritage. All in all, there were significant cuts in varying degrees in the vast majority of departments.

On the revenue side we have moved decisively to introduce new fairness into the tax system. We have sent a clear message to those able to pay that they will have to shoulder an increased responsibility for deficit reduction. For example, we have set temporary limits on RRSPs at $13,500, affecting only those who earn in excess of $75,000. There will be a new tax on investment income of private corporations. We will eliminate deferral of tax on business income. We will limit some incentives. We will tax family trusts. We have increased tax on large corporations. There is a new corporation surtax. We have a new capital tax on banks. Finally, there is the gasoline tax.

• (1610)

Looking at the overall picture of the revenue side I am sure the majority of Canadians will agree that we have met the criteria of fairness. I am sure that in the future we will move again to close more loopholes.

I would like to take a few seconds to tell the House what the budget is not about. The government has demonstrated the courage to open the budget process to let Canadians in. Throughout the process we emphasized that we would use a balanced and fair approach.

The opposition has used this consultation process to falsely suggest that the government would impose additional taxes on the middle class. Members said we would overburden the middle class with the budget. We have not. They said that there would be a health tax. There is none. They said that there would be a dental benefit tax. There is none. They said there would be a tax on RRSPs. There is none. They said there would be a tax on lotteries. There is none. Finally, they said there would be income tax increases. There are none. I would also add that there are no increases in UI premiums.

In the end, I believe we have achieved a fair distribution of restraint among all Canadians in all regions of the country.

[*Translation*]

Madam Speaker, some individuals and groups tell us we have gone too far, while others say we have not gone far enough. I answer them by saying that we have done what we said we would: we have formulated a budget that will meet our objectives and targets for deficit reduction.

We have chosen the best route. Our budget is carefully balanced. It balances the need to control government expenditures with the need to provide the protection of social programs to our most vulnerable. Cutting too much in order to satisfy the financial circles would mean too great a cost to the disadvantaged and would weaken Canadian confidence in the economy. Cutting too little, on the other hand, would threaten our ability to pay our expenditures and make us more vulnerable to control by foreign markets.

In hard times, the provinces turn to the federal government for leadership. Unfortunately, during the last nine years, the provinces turned to the federal government for leadership, and the Mulroney government failed to provide it.

I would like to repeat the quote given by the Minister of Finance in his speech: "Government must not live in the past—Every day there are new needs to be met. If inflation is to be

fought, unemployment countered and something done, and soon, to get Canadian prosperity back into its stride, the government must begin to plan ahead—not timidly, not tentatively—but boldly, imaginatively and courageously".

It is no coincidence that the person with the Prime Minister is the son of the individual who made this statement. He is the person, the son of Paul Martin, Senior, who will return stability, confidence and prosperity to Canada.

Furthermore, Canadians may be assured that their federal government will provide the leadership sought by the provinces. If we are now facing a new opposition consisting of two parties, the Reformers and the Bloc Quebecois, it is because the Mulroney government did not meet the provinces' call for leadership.

For this very reason, the Liberal team will respond to this call by the provinces and these new parties will inevitably disappear.

• (1615)

[*English*]

In conclusion, I would like to bring to the attention of the House another issue in the budget. I would like to offer the services of my riding and my region to help the Minister of Finance fulfil this commitment. Sudbury and the region of Nickel Belt have rich mines, skilled workers and all the skills and institutions in place to provide to the Government of Canada the new $2 coin that is referred to in the budget. We would be pleased to provide that service for the rest of Canada.

Mr. Leon E. Benoit (Vegreville, Ref.): Madam Speaker, I have heard this member and others before him make the comment that we are targeting spending better with this budget.

The most substantial spending measure in this budget is as a result of what was not done rather than as a result of what was done. That is the increase in interest payments on the debt.

Does that mean that it is the deliberate intention of this government to target spending more to interest payments than in the past?

Mr. Bonin: Madam Speaker, this question has been asked so many times in the House. I will attempt to answer it differently because it seems that Reform members do not understand.

There is a balance to be offered when there is such a huge problem as we have in this country. We inherited the problem.

I like to compare it with a program I saw on TV. In New York City the underground infrastructure of the water system is so old and rusty that they cannot check to see if a valve is working. There is so much rust that the valve will break if they turn it. I like to make that comparison.

The people I share this with, the people of my riding and other ridings and the people from my party and other parties, except for the Reform Party, seem to relate that there is a danger in overkill.

Definitely, Canadians and the Liberal government would like to say let us slash and burn and there is no more debt. The only serious difficulty is it would affect human beings. That is the part the Reform Party cannot associate with. We include it in our answers and try to explain to them that they have to have some compassion. That word is used often by a good many members in this House but it is never used by members of the Reform Party.

A society with compassion is often judged by the way it treat its seniors. Taking $3 billion out of the seniors' pockets is not my idea of compassion. I have answered the question for the people who understand. I feel like the minister or the priest who preaches to the people who do not practise. They sit there having heard the answer so many times and still they do not understand.

[*Translation*]

Mr. Philippe Paré (Louis–Hébert, BQ): Madam Speaker, I would like above all to respond to the initial remarks made by the member for Nickel Belt. He seems to regard it as quite an exploit that, thanks to Canadian federalism, he is still able to rise in this House and speak in French.

I must say, it is very difficult for me to understand how this view can be so easily accepted since the opposite would indicate assimilation. So he admits that it is exceptional that he has not been assimilated.

As he comes from a French speaking community, I find it rather difficult to understand how someone like him could say that; he is aware of the incredible rates of assimilation in Canada. In 1971, the rate of assimilation for all English speaking provinces was 27 per cent, but by 1991 it had increased to 37 per cent.

• (1620)

Equally, he is a member of a government whose language commissioner recently released a totally shocking report on this government's inability to provide francophones in other provinces with services in French. He is also a member of this government which will make cuts to the CBC, no doubt equally in the French and English networks, without realizing that the French network has been discriminated against for 20 years, although audience ratings are identical and budgets are one third higher for the English network, identical ratings and identical schedules, unless I can be convinced that the English language CBC network is on the air 36 hours a day, which I would find very difficult to understand.

I find it difficult to understand those remarks and I would like to know how he can rise in the House and praise a federal system which has created these things which are after all neither very interesting nor very praiseworthy.

Mr. Bonin: Madam Speaker, I am surprised to see the knowledge that my colleague opposite has cultivated regarding the situation of francophones outside of Quebec. When I first came to Ottawa, at the same time as he did, his party thought that I was one of their own when they heard me talk.

Most of these people have never ventured outside of Quebec. Most of these separatists were oblivious to the fact that there were any francophones outside of Quebec. My riding is 40 per cent francophone. I represent such a riding, and our separatist colleagues from Quebec do not even know we exist. At the end of 1978, René Lévesque came to Laurentian University in my riding in Sudbury and said to francophones outside of Quebec that Quebec had enough problems and had no time for us. That is what he said.

My colleagues from the Bloc Quebecois are surprised and moved that there are francophones outside of Quebec. I will give them a little background on northern Ontario. There were nine children in my family, all francophones. I organize family picnics for the Lefebvre family in my riding, and we invite all of the descendants of my grandmother and grandfather. I recall one year where 750 people registered, all francophones. So, come out of your shell! Excuse me, Madam Speaker, I meant to tell them through you to come out of the shell in which they have been hiding.

It is never adviseable to propose to separate from something you do not know. Go see the rest of Canada. Go see whether it exists, get a taste of it and you will conclude that it is worth keeping Canada together. Yes, if I rise in this House today and am so proud to speak to you in my mother tongue, French, it is because I had the opportunity to live it, to be raised in it and to speak it at university. My son is registered in a family medicine program in French in northern Ontario and my wife teaches at a French school.

Before being elected, I taught French in a French college; the new college is under construction. I was the president of a French–English school board, the majority of whose members were francophones. So do not try to tell me that francophones outside Quebec have no rights and that our rights are being taken away from us daily. We had our problems in the past, but we got to know one another instead of deciding to separate. We decided to sit down together and learn to work with one another.

I played hockey with the anglophones and I enjoyed it. They are good people. I also played in another league where everyone was French and we spoke French on the ice and in the locker rooms. We learned to work at overcoming problems, to respect one another. The respect of one person for another is very important for a federation.

The message is not complicated. For the separatists, if you wish to separate, at least know what you are separating from, because you run a very great risk of hurting the people you represent. This is not right, because the members of the Bloc Quebecois in this House do not represent the majority of Quebecers. They are playing a dangerous game and those of us from northern Ontario know it.

• (1625)

With reference to Radio–Canada, I am going to tell you about one of the problems we have in northern Ontario, because I think something needs to be said. Most of our programming comes from the province of Quebec, but we would like more local programming. The propaganda we get on the television and the radio is driving us to switch to our other francophone stations in northern Ontario.

[*English*]

Mr. Werner Schmidt (Okanagan Centre, Ref.): Madam Speaker, I will be dividing my time with my colleague, the hon. member for Red Deer.

I wish to address this House on the business of the budget which was presented yesterday. I want to deal particularly with one part of that budget. It has to do with the provisions for science and technology. The hon. Minister of Finance said that the general objective of federal spending in science and technology is to build a stronger science and technology capability in Canada.

There are two funding councils through which a lot of this money goes, the National Sciences and Engineering Research Council of Canada and the Social Sciences and Humanities Research Council of Canada. Both promote and assist primarily university research and graduate education. Their budget was reduced proportionately less than those in other areas because, as he said, that reflects the importance and priority placement of R and D for this government.

The same thing happened with the National Research Council. It too was reduced, but not in the same proportion as were certain other parts. The National Research Council will have to eliminate activities of a lower priority.

From the above it is pretty clear government has demonstrated that science and technology is considered to be a strategic asset of government.

Let me quote directly from the Minister of Finance's budget plan: "High deficits and debt lead to higher interest rates, higher taxes and reduced confidence, which dampen investment and growth. The financial requirements flowing from chronic deficits, when not matched by increases in private sector savings, increase Canada's dependence on foreign borrowing, the servic-

ing cost of which is a permanent drain on national income and future living standards. The constant financing of deficits also reduces the government's capacity to provide important public services and to make adequate investments in the area of strategic national importance, such as science and technology."

It should be clear to everyone that this budget, because it does not adequately deal with the fiscal problems of this government, will make it difficult to develop in precisely those areas upon which the future economic development of this country depends and which must take place if Canada is to compete in the global marketplace.

Concerns have also arisen with respect to the treatment of R and D expenditures on information technology generally, and in particular those incurred by financial institutions. I quote the minister again: "As an interim measure, all information technology R and D performed after budget day by financial institutions will be excluded from the definition of scientific research and experimental development pending the completion of the review of information technology R and D".

Is this specific act a discrimination against one of the major stakeholders in scientific and technological development? Or is it as Peter Cook stated yesterday in his article in the *Globe and Mail*: "Fairness to the politician does not mean burden sharing. It means goring the fewest oxen." Since there is not a large number of financial institutions and the chartered banks are by far the fewest and the largest of those, only very few oxen will be gored by this regulation.

• (1630)

The question, however, is a larger one. Does this action discourage other innovators in the information technology field? That is particularly problematic in light of the Auditor General's observations that we must recognize the global economy is increasingly driven by knowledge based industries and that innovation is critical.

He goes on to detail some of the characteristics of an innovative country. He states among other things that first, innovation has become a crucial survival issue. It cannot be treated as an option. Second, innovation trends do not arise by themselves. It is generated and sustained through the efforts of people. Innovation is where the innovative spirit is. It cannot be legislated or brought about by edict. It comes from individuals and from creative and interactive communities and it thrives in an environment of encouragement and support.

Three, he says government needs to create an environment that is supportive of innovation. If not, innovators will not innovate or leave to go to places where there is support for innovation. Four, partners in an innovative society include all aspects of our communities, all governments, communities, individuals, corporations and families. Five, he says Canada has the potential to be particularly innovative as a society because of the cultural diversity of its people. Canada could become known as an innovative country.

The Auditor General also observed that within the science and technology department there is an absence of strong leadership: "The government does not have a clear idea of precisely what it is trying to achieve in science and technology".

In response to that observation of the Auditor General, here is what the Minister of Finance said in his budget plan:

> Industry Canada is developing a federal science and technology strategy. The department is drafting a national vision of science and technology through external consultations, internal review as well as an independent assessment of the national advisory board on science and technology.
>
> Industry Canada, in conjunction with other relevant departments, is also working to increase the relevance and economic impact of the government science and technology spending; a more businesslike approach is being adopted.

This is a total statement with regard to this matter. It is vague, yet it readily admits that knowledge is where the future lies. How much money would a private investor place in a vague and wishy–washy sense of direction like that?

In this case, as in any other pursuit, it is essential that there be a clear goal as to where one is going so that one may determine the costs and know when the goal has been reached. At the moment I am afraid there is much money and a lot of activity being thrown in a particular direction but little to show for it. When resources are scarce we cannot afford such lack of accountability and irresponsible expenditure of public funds.

There are some suggestions that I would make that might be of assistance in meeting the Auditor General's message. First, in this country there are insufficient links between science and technology policy on the one hand and economic indicators on the other. Do the government policymakers ask themselves what economic indicators are being directed toward science and technology?

Second, science and technology remains internalized. While it talks about being innovative, about being an important component of economic recovery, it seems to have no idea how to activate policy to become that component. The reason for that is because any review that has come out of the department of science and technology has not had its genesis or relationship with the finance department.

In many ways science and technology and Industry Canada are having an identity crisis. They know what they want to be, an engine of fiscal recovery, but they have no idea how to get there.

We hear much about creating stronger partnerships between government and universities, government and industry, industry and university. We have not heard a whisper about the relationship that is necessary to forge between academic scientists and economists.

• (1635)

Many who comprise and compose the structure of science and technology have moved from the ivory tower of the university to the ivory tower of government. Neither is a traditional place where market value means much to the daily workings of the respective institutions.

Protected from the real world and from having to generate revenues to support their work, their objectives are fuelled by the desire to maintain the status quo. Instead they choose to believe that the granting system is sacred and necessary, that generating revenues is not within the purview of science.

However, generating revenues is a principal element in becoming an engine that drives economic recovery. We are relying on science and technology to produce products, jobs and a niche for Canada in the global marketplace. When we are told that science and technology can do that we believe it because we want it to be so. However, we want it to be happening now.

Do we have to wait another 30 years since the last science and technology review took place when nothing happened? One year from now is too long. It is time to get out of ivory towers and do it now.

We need to have a different structure, a necessary new configuration; one that places more emphasis on each knowledge worker and less concentration and centralization of services, one that joins Newfoundland to British Columbia by an information highway capable of sharing ideas of co–operative creation, of production teams equipped with expertise not limited to institutions, sectors, regions or governments. That is innovation. That will assure Canada's future. That is what we must do and we must do it now.

Mr. Bob Mills (Red Deer, Ref.): Madam Speaker, I rise today to give a speech that I sincerely hoped I would not have to give. In the fall the Minister of Finance promised he was going to get serious about the debt and deficit in his budget and that he realized Canadians would not accept any higher taxes.

The minister went on to conduct a much touted prebudgetary consultation process. The minister claimed again and again that he would listen to Canadians. The hopes and wishes of the Canadian public have been betrayed. It is absolutely unacceptable.

I want to talk about the tax grab of the government. Since I was elected, one of the most ironclad wishes of my constituents and the Canadian public has been that the government put a halt to increased taxes. Canadians are already taxed to death. They are bled dry by the government.

Although the government knew all about the terrible situation it is once again sticking its fingers into the wallets of Canadians and picking them clean. Only this time, since the part of Canadians' wallets that holds the bills is empty thanks to the government, the tax man is rifling through the part that holds the change, plucking the last few loonies away from the beleaguered public.

We have a tax on gas, a tax on utilities in Alberta and taxes on corporations which get passed on to the public. This is not closing loopholes. This is not taxing the rich. These are taxes on everyone who uses a light bulb, heats their home, drives a car, farmers and consumers in general.

This is totally unacceptable. The government has been told time and again it does not have a revenue problem, it has a spending problem. Last year the government spent its way to a record setting deficit. We have now racked up a debt of over $550 billion, costing the taxpayer close to $80,000 a minute in interest charges.

This is unbelievable and this is what we are leaving future generations. That is the compassion we have heard some of the members talking about. There should be some compassion shown for the future. The government seems to think that overspending by 24–odd billion dollars by 1997–98 is the greatest achievement ever accomplished. Where the government gets its priorities is totally beyond me.

What did the government not understand about the message of the Canadian public which was no new taxes and fix the deficit?

• (1640)

Even the Liberal Party's own personal cheering squad, the Toronto *Star* and many others, had come up with front page headlines like "Get a grip on deficit with cuts, MPs told, but don't try raising taxes, constituents say".

The government was given this message over and over again but it did not listen. I do not doubt the government has a million and one justifications for increasing taxes and I am sure the spin doctors figure they can manipulate the Canadian public into believing these taxes are in the best interests of everyone, but they are wrong.

We really feel that removing the deficit and putting in place a reformed tax system and a long term plan for the reduction of the debt will be the only way to save the programs that Canadians value.

In 1984 our debt was $190 billion. We had a fellow come along who said he was going to fix it. By 1988 he said that he was going to fix it again and then we were up to $370 billion. In 1993 we were told that there was such a terrible government and it had

built up $489 billion by election day. We were again told that it was going to be fixed.

By 1997 at the next election we will have over $600 billion. All this and the government thinks that a $32 billion deficit next year is a great achievement. I am sorry, I do not think that is good enough.

In the past the government has always figured that it could formulate policy and then bring it down from on high. The government thought it knew what was best for Canadians and imposed this on the public.

The last government was particularly good at this trick but we know what happened to it. As much as the government does not want to hear this piece of news, the days when Ottawa told Canadians what to do and how to live are over. It is time for the Canadian grassroots to tell the politicians in Ottawa what to do, and they better do it.

For months now the government has made its problem even worse because it told Canadians it was listening. The public was optimistic that a new day had dawned but now it knows. Now Canadians realize that the government was going to do whatever it wanted regardless of what it heard in the prebudgetary consultations.

It is politics as usual in Ottawa. The government pretends to listen to make itself look good and assures Canadians it has turned a new leaf but the illusion never lasts. This budget is the splash of cold water to the face of the public it needed to realize where the government really stands.

Tax and grab is the name of the game and wishes of the public do not matter. Shame on you, Mr. Finance Minister. You sit on your gold plated pension while future Canadians are sacrificed. Not only is it a huge shame that the government has chosen to raise taxes, but when I ask myself if it is at least taking care of the debt and deficit properly, my answer is no.

Our federal debt is around $550 billion and it is going up by $10 billion every few months. The interest on this debt is huge and is going up by $80,000 a minute. Every time the interest rates go up by 1 per cent the deficit rises by almost $2 billion. By the time the next election is held our yearly interest payments will be over $50 billion. This is what will really threaten our social safety net and nothing else.

The international money managers are happy today because they have just been guaranteed an ever increasing source of cash. Let me put it another way. Even if there were no more interest charges on this debt ever and a single Canadian put $10,000 per year into paying off the debt they would reduce it to zero by the year 55000000 A.D.

Faced with this debt problem, what is the government's answer? What resolute action is it going to take to save our country from economic peril? It has promised to reduce its overspending to roughly $25 billion per year beyond what we can afford by the time the next election is called.

This will mean that Canadians will only have another $100 billion dollars added to the national debt, bringing it over the $600 billion mark. Wow, what commitment and responsible action. With those kinds of fiscal skills, maybe the cabinet ministers of this government should act as financial consultants when they are looking for new jobs after the next election. I am sure financial wizards like themselves should have no problem finding a job. Maybe the savings and loan companies in the U.S. are looking for senior executives.

• (1645)

In all seriousness, it boggles my mind how the government can think that it has done enough. For months now Canadians have told the government that they are willing to bite the bullet in order to address the deficit problem, but the government continues to believe that it can do things as usual; it can have its cake and eat it too. It can spend the country into the ground with big government in one breath and pretend to fight the deficit in the next.

I am sorry, but it just will not do any more. Canadians are unwilling to play the old Ottawa game. They want real change, real reform, real spending cuts and no more taxes. The message is simple but the government is not listening. The actions needed are obvious but the government is afraid to act.

Over the coming year Canada will slip further and further into debt, the dollar will struggle and upward pressures on interest rates will be the norm. As interest rates rise our growth will slow and unemployed Canadians will continue to be frustrated in their efforts to find jobs. In the past the government has been fond of blaming such problems on the previous government. That time is now over. The government has made its bed and now it is time to lie in it. The people of Canada are smart. They know the bill of goods that has been sold to them and they will not forget.

The smoke and mirrors approach of Ottawa will not sell to the provinces or to the people of Canada. Enough is enough. Start from the top. Reduce MP pensions. Reduce the number of MPs. Reform and reduce the Senate. Cut upper and middle management and stop offloading cuts on the lower end of the pyramid.

We have reached a turning point in this government, a downward turn, a turn for the worse, and the Reform party will not stand idly by. Reformers have got the message, no more tax, fix the deficit. Now is the time for us to confront the government and force it to listen. We will tell it over and over, as many times as it takes, to try to get the message through that we have a serious problem and we must address it.

The Budget

Mr. George S. Rideout (Parliamentary Secretary to Minister of Natural Resources, Lib.): Madam Speaker, I listened with interest to my colleague opposite. He said that the government did not listen, did not discuss and did not involve Canadians in the process of budget and budget reform in trying to strike a budget that at one time would deal with our financial crisis but at the same time not push the country into recession.

Canadians told us that they did not want us to raise personal income tax, that they did not want us to touch RRSPs and that they did not want us to tax dental plans. They wanted us to make substantial cuts in government so that it would function more efficiently. This government listened and that is what it did.

As I listened to the Reform budget I heard it take on the little guy and make it tough. That budget would impose a direct tax against Atlantic Canada, would attack ACOA and would attack those institutions which make Atlantic Canada function. It would attack seniors and senior women who would see their income taxes rise because of the budget that was put forward by the Reform party.

Did the Reform Party listen to anybody when it put forward its budget?

Mr. Mills (Red Deer): Madam Speaker, what we have done is really listened to the people. People are saying that they are sick and tired of government from the top down. They are saying give them programs that will let them take care of themselves at the local level.

If the hon. member had read the taxpayers' budget he would see that is exactly what it does. It puts in place things like RPSPs which allow people to take care of themselves, not depend on bureaucracy to do it and not depend on government which over 35 years has failed them; failed to guarantee the social programs and failed to provide them with services. That is what the people are saying.

• (1650)

The threat is that $600 billion and that $50 billion in interest payment. That is the threat to all the social programs and it is going to hit everyone where we presented a budget which was going to be fair and equal to all and would have provided a solution. It will be too late by the time these people wake up.

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, I too have to comment on the member's brief speech.

The Reform Party had used the time in advance of consultation on the budget to go around stirring up so called tax revolts and really scaring Canadians by indicating the government is going to do this, the government is going to do that. As the previous member stated very clearly, the government is not taxing RRSPs or health and dental benefits. The government did not raise personal income taxes. The government did listen.

The government reduced its spending. There are $7 in spending cuts for every $1 of revenue increase. The member now, in trying to salvage some face with regard to the ridiculous tax revolt incitement, is trying to rest everything on an excise tax of 1.5 cents per litre.

I have a very simple question so that all Canadians fully understand what that means. Could the member please advise the House how much that means to the ordinary Canadian in terms of going to a gas station to fill up a tank? How much does that tax cost Canadians?

Mr. Mills (Red Deer): Madam Speaker, the answer to that question is $500 million, but there is a lot more to it than that. There are a lot more areas.

There is that 12.5 per cent to corporations which is going to be off loaded on to people. There are all of the changes when the money is transferred to the provinces to allow them less money, to allow them to increase their delivery of services.

We talk about long term. I am from Alberta and we had a premier in that province, Mr. Getty, who gave a budget very much like this. It was a feel good, be happy, do not ruffle anybody's feathers, try and keep everyone kind of balanced budget.

As far as consultation with the people, I would like to say that in terms of this consultation, the number of town hall meetings and so on that come about in that consultation I would gladly compare with anything that the hon. member does.

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health, Lib.): Madam Speaker, unlike the last speaker, I think it is a great honour for me to stand today and support the budget. I am very proud of its very bold and visionary approach to fiscal management.

Throughout this budget the Minister of Finance had in effect courageously redefined Canada's system of government while at the same time maintaining the basic principles of fairness and equity.

There are some specific areas of the budget that I would like to address today, especially as they impact on British Columbians and on my constituents.

I would like to stress that this budget has fulfilled all the promises made by our government. It was tough but it was fair. This budget has ensured that the financial burdens faced by all Canadians will be distributed in an equitable manner. It started by cleaning house, by setting an example of frugality and fiscal prudence from the top.

There is no NIMBY syndrome in this budget. We started right in our own backyard. We redefined government by downsizing, by becoming lean and efficient and by enunciating a more appropriate role for government, one that enhances growth rather than manages it.

We did this by getting out of mega projects, by cutting back on subsidies to businesses, to farms, to transportation and to mining. We feel that these sectors can sustain themselves and be competitive if we just get out of their way. They have told us this often enough and now we are doing it.

We will commercialize viable sectors like transportation so that they can be self–sustaining and so that the users pay for their services rather than all taxpayers. We will still ensure that public safety and national standards are maintained.

• (1655)

This budget clearly comprises a major turning point in our economic history. In the last few years we have been straining to govern. We have been straining to survive under the cloud of a burdensome debt and a dangerous deficit.

This economic downturn we just suffered compounded the negative impacts of the deficit and the debt by affecting our credibility in world markets. Our economic sustenance was at the beck and call of investment bankers in New York and editorial writers in Washington.

We had two choices. We could continue to ride the downhill spiral toward indebtedness and even to third world status or we could take measures to change direction. We needed a revolution and this budget has provided us with one.

Over the next two years this budget will create cumulative savings of $13.3 billion, $11.9 of which will represent cuts in government spending. That equals $7 of spending cuts for every dollar of tax revenue. As a result in 1996–1997 our economic growth will finally be greater than the growth in our debt.

This is a key element. It marks the turning point in our indebtedness as a nation. It means that we will be taking in more money than we are borrowing for the first time since World War II. We have finally turned the corner.

Contrary to the rhetoric spawned by the furious and impetuous reaction of opposition parties and other groups, this budget does not reduce our commitment to social programs. I think rather it enshrines it. By taking control of our finances we have regained our sovereignty and our ability to make our own decisions about the kind of social democracy we want to live in. We have empowered ourselves so that we can make decisions based on our values as a people; values of compassion and of social justice, values that see government's role as one which creates opportunity for all, one which removes obstacles and one which protects the most vulnerable in our society.

This budget will let us protect our social programs from the investment bankers and editorialists of the world. By achieving our deficit targets we are taking action to prevent New York or Tokyo from in effect running our country and defining our social programs. A Liberal government could never allow that to happen.

I am glad to see that this budget, tough as it is, was not balanced on the backs of the poor, the sick and the elderly. As Parliamentary Secretary to the Minister of Health, I am pleased to note that his budget in no way affects the medicare standards and principles that are so dear to us and that are enshrined in the Canadian Health Act. Health care delivery across this country will continue to be comprehensive, universal, portable, accessible and administered by the public. In the red book we committed to ensuring that these principles are upheld and we are keeping that promise.

Yesterday in a typical knee–jerk reaction to the speech by the Minister of Finance, the Leader of the Opposition and his finance critic stated that the budget was merely another confirmation of status quo federalism. It is clear that the Leader of the Opposition did not read the document, or if he did he did not understand it.

The budget does the exact opposite. It clearly marks the beginning of a new era of federalism and of federal–provincial relations. It is a move in the direction of a leaner, more efficient, more accountable system which recognizes provincial responsibilities and the ability to redesign and redeliver effective services at the local level; the bottom up approach that the opposition parties so often tout but are reluctant to implement.

In reading the newspapers this morning I noticed that much of the media has focused its concerns on the new system of block funding, the Canada social transfer which will result, it says, in fewer services being provided by the provinces. On the contrary, with the new system of lump sum transfer payments, our government is in effect giving the provinces greater flexibility and greater leverage in the administration of their social programs.

The federal government's role has been redefined but in a positive way. I firmly believe that these changes will provide a window of opportunity for us to set clear national standards for all social programs. This is a move that my constituents and groups across this country have advocated for years.

Instead of balkanizing the country, this move will allow us to set national objectives for education and social security like we have done so successfully with health care.

• (1700)

Since its inception medicare has given over the management and administration of health care to the provinces governed by a set of principles enshrined in the Canada Health Act. This has created a health system that binds us together as Canadians, a system of which we are duly proud, a system that has freed the federal health department to concentrate on the broader issues

that affect the health and safety of all Canadians. This is what we intend to do with the devolution to the provinces.

I trust that following his consultations with the provinces the Minister of Human Resources Development will act swiftly in proposing standards and principles that will see us act along the lines of the Canada Health Act and the standards for administration and national care we see as a nation.

The Canada social transfer will do exactly what we want it to do. We have shown by our leadership as a federal government that we can provide better, leaner and more efficient government. I believe the provinces will rise to that challenge and be able to show us that they can do just as well as we can and as we have done.

I would also like to talk a bit about the changes to the Unemployment Insurance Act that I feel are very important. I believe that one of the key issues of unemployment at the moment is in keeping with our Liberal mandate, which is to get people back to work and keep them at work. If we can concentrate our efforts on employment services and training we will do exactly that.

Those Canadians who feel very vulnerable now because they are unemployed and who are concerned that this will damage their futures should not be concerned because our move is to give them the tools and skills needed to get them back to work, to stay in work and to make us a more competitive nation. We are removing the safety net but we are providing a springboard. I think most Canadians want a springboard.

We are also cutting some funding to the unemployment insurance program. By the fall of next year the funding will be reduced by 10 per cent. This is only funding that is going to be done because of downsizing of administration and because it will automatically come from the lower unemployment rates. As the House knows, we have been creating jobs and have brought our unemployment down by two percentage points, which had not been done over the last 10 to 15 years.

We are also moving to reduce some of the abuse that I hear from all over the country is endemic in the system. That will save us $200 million.

Furthermore we are looking to do something that is innovative and creative. We are looking to build a $5 billion surplus in the UI fund so that we do not have to make the same mistakes we made the last time. When the cycles of recession and downturns in the economy come we will have a buffer to start so that we do not have to increase UI premiums and therefore hamstring the businesses that need to grow, to help us to sustain the economy in bad times. This is just common sense.

By maintaining a surplus we will be able to mitigate the rates and help in periods of slow economic growth. It will also help us to encourage job creation at a crucial time when we are recovering from downturns in the economy.

In addition, I am very pleased to note that throughout the budget the government has remained totally and absolutely committed to a fair and sustainable system of protection for seniors. It recognizes the important contributions that seniors have made to Canada's social and governmental infrastructure.

I have a large seniors population in my riding. They have been very concerned that their pensions would be destroyed in the budget. I am pleased to be able to tell them that the two main pillars of the public pension system, the Canada pension and the Quebec pension plan, the old age security and the guaranteed income supplement will be maintained and improved.

In the budget the Minister of Finance has promised to sit down with the provinces in the fall to review our very shaky Canada pension plan. The Minister of Finance pledged to release a paper in conjunction with the Minister of Human Resources Development to recommend changes to the system to ensure its affordability, fairness and sustainability as many of us baby boomers move into old age.

Finally, the minister is announcing a change in the method of payment of old age security to high income seniors who have been subject to the so–called clawback. This is simply an administrative, common sense approach. If we pay out our benefits to individuals at a time every month instead of waiting until the end of the year to give in and pay back, it just prevents a lot of paperwork. That is the kind of silliness that has been costing so much money in government spending over the last few years.

• (1705)

The budget has also followed through on our red book promises to maintain fairness and equity in our taxation system. The Minister of Finance has refused to balance the budget on the backs of the poor. Rather it seeks to distribute the onus of fiscal frugality to those who have traditionally not been paying their fair share.

Reforms to family trusts are a good example. I firmly believe that in times of fiscal restraint all Canadians should pay their fair share and not escape through nice old loopholes.

The budget eliminates the cap and justly so for family trusts, changes to the family trust administration and will terminate the preferred beneficiary election for trust taxation years that begin after 1995, except where the beneficiary is physically or mentally impaired. Again the government has done a sensible thing with compassion so that we will not harm those who are most vulnerable.

I recognize that family trusts have many valid non–tax objectives such as helping with succession planning, but these changes ensure that family trusts will not be used to defer capital

gains for income splitting purposes. That is the loophole we were trying to get rid of. Once again the budget has shown that we are committed to reductions as long as they are fair.

There is more good news for my constituents in the budget such as changes to the government's role in transportation. The federal government's role in transportation is evolving from that of being an operator of the system into one that is primarily a policy maker, a regulator and a landlord with only limited operational responsibilities. Subsidies are being reduced and in many cases eliminated. Major operations will be given more commercialized forms and remainder operations will be made more efficient with greater reliance on users rather than taxpayers to pay the cost of the transportation system.

Thus the budget reduces net spending by Transport Canada and related agencies by over 50 per cent in 1997–98, from $2.8 billion to $1.4 billion. As a consequence the port of Vancouver in my riding and other ports across Canada will have the opportunity to thrive under the autonomy they have sought for many years now and finally become competitive.

Changes to the mining sector will have a positive impact in the long run in B.C. In the budget the federal government has decided not to renew mineral development agreements, but it also likes to emphasize that this non–renewal does not mean it has abandoned the mining sector. The mining sector has not had a fair system of taxation to assist it in different levels of mining such as reclaimed mines versus new mines. We are going to look at these issues so that we can give that sector what it needs and remove the barriers so it can thrive and become as viable as we know it can be in Ontario and in British Columbia.

I would like to comment a bit on members of the Reform Party in the House who have attacked our budget. They have said we have not done the things we should do and they have discounted our figures. They have said that we have been hypocritical.

The budget tabled by the third party was punitive and non–creative. Throughout the history of the country the Liberal Party has always been here at times of change. Whenever the country has sought to move into new areas, has sought to become a greater country or has sought to change the way we do things, there has always been a Liberal government in place to lead us into the changes.

We are moving into the 21st century. There will be many challenges for the country. We have seen we need to be competitive. We have seen we need to look at training. We need to look at employment. We need to look at jobs. We need to look at economic growth. We are focusing on economic growth. We are focusing on the engines of growth: small business, science and technology. We are going to make the country move forward.

As always, a Liberal government has been there to help Canada to manoeuvre its way through difficult times. We will be here once again to move us into the 21st century when I know the world will look to Canada for leadership.

[*Translation*]

Mr. René Canuel (Matapédia—Matane, BQ): Madam Speaker, I was listening to what my colleague has just said with great interest. I do believe her Liberal roots are showing.

• (1710)

It is full of sophisms. I will make a comment and then put a question to my colleague. How will it be possible to provide quality health care when transfer payments to the provinces will be cut by $700 million next year? How will it be possible to improve health care? She spoke at length about this earlier.

If I were a young graduate, I would be very concerned tonight. If I were on income security, I would be even more concerned. If I were unemployed, I would be extremely concerned. They are talking about cutting 45,000 public service jobs, about closing military bases in Saint–Hubert and elsewhere. The extremely competent workers who will lose their jobs will surely find other jobs, but for a 24–year old graduate, it is a different matter. One job means one job, not two jobs.

Tonight, I would be very happy if I had a family trust as I would have until 1999 to avoid taxes. Nothing to worry about. If I were the Royal Bank, I would be very happy, too. I would send you a dozen roses and we would sing together. The wealthy are rejoicing while the most disadvantaged are sad.

I would ask my colleague to really explain to these young university graduates and unemployed workers how and where this budget will help create jobs quickly, when we know that it takes $200 million away from infrastructure programs?

[*English*]

Ms. Fry: Madam Speaker, I would like to respond first to the statement the hon. member made about health. Many studies have shown now that the health care system is appropriately funded but that the health care system needs to be managed more efficiently. That is what we should be looking at doing.

We do not need to continue to pour money into the system. The system can provide the best health care in the world that Canadians need if we manage it. It has not been managed on sound management principles. We have not looked at the outcomes of the things we do to see whether they make a difference to the health status of the population.

There are enough studies now to show that we can save significant amounts of money that we can put into important aspects like prevention and helping to improve the health status of the population so our children can grow out of poverty and be healthy. We know that poverty is a major determinant of ill health in the country. We need to shift our resources where they do the best and where they improve the condition. That is what we can do if we manage the system better.

I do not see that any kind of cutbacks in funding will make our health care system worse. It is a challenge for provinces to learn how to manage the system appropriately on sound principles and guidelines. I think we can do that and I think the provinces are equal to the challenge.

With regard to young Canadians who are looking for work and any Canadian who is looking for work, the unemployment insurance system at the moment has shown us that 25 per cent of Canadians across the country are functionally illiterate. Forty per cent in the maritimes are functionally illiterate. We are not looking at the traditional student any more. We are looking at adult populations, non–traditional students, who need skills and tools to get back to work.

On one hand, the government is trying to push the engines that will drive the small and medium size business sector which will create 80 per cent of our new jobs. On the other hand, we are looking at unemployment insurance as an adjustment that will help people to get the tools and the skills they need to get back into the workforce so they can become independent contributing citizens who contribute to the competitiveness of the country. That is what we are looking to do, create opportunity; a springboard and not a safety net.

• (1715)

Mr. Jim Abbott (Kootenay East, Ref.): Madam Speaker, when I listen to many of the Liberal members I am reminded of Eliza Doolittle. She was getting very frustrated and she finally sang a song which I believe was "Words, words, words. I am so sick of words".

I listened to the member talk about the proposal where the government is proposing to combine the money it is transferring to the provinces for health and welfare and for post–secondary education into this Canada social transfer act, then magically make $4.5 billion disappear.

Members should know Reform made a proposal like that. However, when we talked about it, we were talking about transferring tax points, transferring the ability of the provinces to be able to fund these. This is simply downloading.

The difficulty with this plan is that the Canada Health Act and the Canada assistance plan are both etched in stone as far as the provinces are concerned. Therefore the entity under the Canada social transfer that literally goes begging with this $4.5 billion is post–secondary education. Post–secondary education simply disappears.

I have a very specific question for the member. Considering that members' pensions are such a monumental issue in the province of British Columbia, I know that her constituents, certainly all the people in British Columbia, would be interested to know if she intends to exercise her option of opting out of the members' pension plan, thereby showing the leadership that the people of Canada are looking for.

Ms. Fry: Madam Speaker, although the member made a nice little speech prior to his question that I would like to comment on, I will respond to his question first.

The hon. member is asking me if I will opt out of the pension plan because he sees it as a way of being responsible. There are many ways of being responsible. I would like to look at the whole issue. I would like to see whether it is feasible to opt out or whether I choose to do so.

Reform of pensions is a fundamental and basic issue. It has been looked at. The Prime Minister was very clear when he talked about reforming members' pensions. We have had a report from a third party that talked about a lot of reforms to pensions and to MPs incomes that I do not see the hon. member discussing in total.

It is easy to cherry pick, to take one little part of a report and comment on it. You have to look at the whole. That has been a fundamental flaw in all of the third party's policies. Its members take a little piece of a narrow strip and never look at the big picture. They never see how it impacts, whether there is a domino effect or not.

The hon. member should look at the big picture sometimes.

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Madam Speaker, as the official opposition critic on human resources development, since the last election campaign, I am today faced with the Martin budget. It has been one long obstacle course.

Having come this far and despite what the minister says, I know from reading his budget and listening to his speeches that, far from giving up the idea of implementing major cuts in social programs and centralizing powers, the budget before us confirms that what the central government wants most of all is to withdraw from health, education, social assistance and other social services, but to keep the sectors where it feels it must be involved, even if they are not under its jurisdiction.

• (1720)

Now, without a word of warning, without any concern for efficiency, it is about to shamelessly increase duplication and overlap. During the human resources development committee's

recent tour, many groups and individuals, more than 1,000 Canadians, came and told us basically that what they needed most was not training, although it was often requested, but rather jobs, decent jobs.

There is strictly nothing in the budget on this matter. The budget is silent for some incomprehensible reason. It is silent, while budget cuts alone lead nowhere in terms of dealing seriously with the deficit and debt problem. Yes, the minister made a step in the right direction, but you need only take a good look at the budget to see that the debt will not be reduced this year, on the contrary, and that a deficit reduction was achieved at the cost of great and extremely difficult sacrifices. Considering that a single percentage point will make $1.7 billion difference in debt charges, it is obvious that we must not look only at cuts.

We must not for the sake of the debt, of course, but above all for the people whose livelihood depends, right now, on their jobs or the hope of getting one. All over Canada, people have told us that they were prepared to talk about social programs and social reform, but not in the context of further cuts. They told us also that Canada was no leader in terms of social programs. Recent OECD statistics clearly show that Canada's social expenditures are below OECD average, at the same level as that of New Zealand's, for the information of New Zealand admirers.

What does this budget say? It tells us that another $7,5 billion will be cut in social programs between now and 1998. I say "another" because we must not forget that the previous budget passed in this House also provided for a $7.5 billion cut in social programs. So, this makes two times $7.5 billion, or a total of $15 billion, in cuts in social programs over a period of four years. That is what we learned following a leak, when the Minister of Human Resources Development announced his project. In the end, after this whole exercise and after the bickering among Liberals, we realize that what was the plan in October is now in the Minister of Finance's budget, in spite of all these consultations.

People said: "The government can no longer cut into social programs". Yet, the expected cut is being made, in spite of the problems that it will generate. What else does this budget tell us? We see that the federal government is backing away from funding in health, education and welfare.

• (1725)

I use the term "backing away" because the federal financing of these sectors is reduced to such an extent that the provinces will experience increasingly more serious problems. The merging of the old financing, education and health programs, as well as social assistance, is called the Canada Social Transfer. This transfer hides two realities mentioned in the budget. First, because of this Canada Social Transfer, if there is a recession, the provinces will have to fully assume the additional costs related to the increase in the number of people relying on welfare. That is what I mean by backing away, Madam Speaker.

The Canada Assistance Plan, which was far from being perfect, was based on the financing, by the federal government, of provincial programs designed to help the poor. The federal government is now eliminating that structure, claiming that it will provide more flexibility. But where is the flexibility for the provinces? The federal government is not transferring responsibilities to the provinces: they already had them. Rather, it is transferring costs and, in fact, leaving the provinces to look after the problems, while knowing full well that, in the end, it is Canadians who will pay the price, and in a very dramatic way.

I will repeat a comment made by the hon. member from British Columbia who spoke just before me. She said that the government was giving back to the provinces the power to spend because they are in the best position to do so appropriately. Why is it that the government is giving back to the provinces funds which are dwindling and about to disappear? The federal government is telling the provinces to use their imagination, when it is in fact dumping its problems on them.

But there is money available, even though that may come as a surprise to you. There is a hidden fund which explains why the budget may have looked better than expected. I am referring to the UI fund and the programs financed through that fund. Quebec asked for the control of the whole manpower sector, or at least as regards vocational training. There is money for that. Where will that money go? Unfortunately, when there is money available, the federal government does not think that the provinces are in the best position to show some imagination, to know what the public's needs are, and to help Canadians. No. The federal government only recognizes the ability of the provinces when they are forced to live with cuts, to make hard decisions and to look like the culprits.

However, when the provinces could have the tools to promote employment and define meaningful strategies, then the federal government prefers to remain in control.

Thanks to the UI fund, the federal government can, in its budget, make proposals which almost go unnoticed. One such proposal is the new investment fund for human resources.

The Acting Speaker (Mrs. Maheu): I am sorry to interrupt the member for Mercier. You will have ten minutes after the vote.

YOUNG OFFENDERS ACT

The House resumed from February 2 consideration of the motion that Bill C–37, an Act to amend the Young Offenders Act and the Criminal Code, be read the third time and passed.

The Acting Speaker (Mrs. Maheu): It being 5.30 p.m., pursuant to Standing Order 45(5)(*a*), the House will now proceed to the taking of the deferred division on the motion for third reading of Bill C–37.

Call in the members.

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

(*Division No. 164*)

YEAS

Members

Adams
Allmand
Assadourian
Axworthy (Winnipeg South Centre)
Barnes
Bellemare
Bertrand
Bevilacqua
Blondin–Andrew
Bonin
Brown (Oakville—Milton)
Bryden
Bélanger
Calder
Cannis
Cauchon
Chan
Cohen
Collins
Crawford
DeVillers
Dingwall
Dromisky
Dupuy
Eggleton
Fewchuk
Fontana
Gagliano
Gallaway
Godfrey
Gray (Windsor West)
Harb
Hopkins
Iftody
Jackson
Keyes
Kirkby
Kraft Sloan
Lavigne (Verdun—Saint–Paul)
Lee
Loney
MacDonald
Malhi
Marchi
McCormick
McKinnon
McTeague
Mifflin
Mills (Broadview—Greenwood)
Mitchell
Murray
Nunziata
O'Reilly
Pagtakhan
Parrish
Payne
Peterson
Pickard (Essex—Kent)
Reed
Richardson
Rock
Scott (Fredericton—York—Sunbury)
Alcock
Arseneault
Augustine
Bakopanos
Beaumier
Bernier (Beauce)
Bethel
Bhaduria
Bodnar
Boudria
Brushett
Bélair
Caccia
Campbell
Catterall
Chamberlain
Clancy
Collenette
Cowling
Culbert
Dhaliwal
Discepola
Duhamel
Easter
English
Finlay
Fry
Gagnon (Bonaventure—Îles–de–la–Madeleine)
Gerrard
Graham
Guarnieri
Harvard
Hubbard
Irwin
Jordan
Kilger (Stormont—Dundas)
Knutson
Lastewka
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Lincoln
MacAulay
MacLellan (Cape/Cap-Breton—The Sydneys)
Maloney
Marleau
McGuire
McLellan (Edmonton Northwest)
McWhinney
Milliken
Minna
Murphy
Nault
O'Brien
Ouellet
Paradis
Patry
Peric
Phinney
Proud
Regan
Rideout
Rompkey
Serré
Simmons
St. Denis
Stewart (Brant)
Szabo
Terrana
Tobin
Ur
Verran
Walker
Wells
Young
Skoke
Steckle
Stewart (Northumberland)
Telegdi
Thalheimer
Torsney
Valeri
Volpe
Wappel
Whelan
Zed—146

NAYS

Members

Abbott
Althouse
Bachand
Benoit
Bernier (Mégantic—Compton—Stanstead)
Bridgman
Brown (Calgary Southeast)
Canuel
Chatters
Crête
Dalphond–Guiral
Debien
Epp
Forseth
Gagnon (Québec)
Gilmour
Gouk
Guimond
Harper (Calgary West)
Hart
Hermanson
Hoeppner
Jennings
Lalonde
Laurin
Leroux (Richmond—Wolfe)
Loubier
Marchand
Mills (Red Deer)
Nunez
Picard (Drummond)
Pomerleau
Ringma
Sauvageau
Silye
Solomon
St–Laurent
Taylor
Tremblay (Rosemont)
Williams—79
Ablonczy
Axworthy (Saskatoon—Clark's Crossing)
Bellehumeur
Bernier (Gaspé)
Breitkreuz (Yorkton—Melville)
Brien
Bélisle
Caron
Chrétien (Frontenac)
Cummins
Daviault
Duceppe
Fillion
Frazer
Gauthier (Roberval)
Godin
Grubel
Hanger
Harris
Hayes
Hill (Macleod)
Jacob
Johnston
Landry
Lebel
Leroux (Shefford)
Manning
McLaughlin
Morrison
Paré
Plamondon
Ramsay
Robinson
Schmidt
Solberg
Speaker
Stinson
Tremblay (Rimouski—Témiscouata)
Venne

PAIRED MEMBERS

Anderson
Bergeron
Brushett
Dubé
Flis
Guay
Irwin
Lavigne (Beauharnois—Salaberry)
Mercier
Peters
Robichaud
Wood
Asselin
Bouchard
Deshaies
Dumas
Goodale
Hickey
Langlois
MacLaren
Ménard
Pillitteri
Vanclief
de Savoye

• (1800)

[*English*]

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

(Bill read the third time and passed.)

* * *

[*Translation*]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

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

Mrs. Francine Lalonde (Mercier, BQ): Madam Speaker, it is always difficult to pick up the momentum one had in the first part of a speech. I am sure that we lost our listeners and viewers during the vote.

I just would like to add very quickly that there is something I find very surprising in this budget, and that is the role of the unemployment insurance fund. As we saw, the federal government is withdrawing from funding health care, education and social assistance. This spring, it passed Bill C–17, which tightened up eligibility criteria so that fewer people were entitled to UI, and received smaller benefits for a shorter period of time.

The UI fund allowed the federal government to pay itself back for the loan it had made during the recession and consequently to present a more favourable picture. But this is not all. Since the government did not lower premiums but reduced eligibility, it was able to make some incredible forecasts. This year and next, there will be a difference of $5 billion between expenditures and revenues.

What is this money going to be used for? Naturally, the government proposes, first, to reduce the deficit. Does it propose to reduce contributions, to help small and medium size businesses? No. It proposes to let a surplus of $5 billion accumulate. What it also proposes, to finance the creation of a human resources investment fund, as the budget calls it, through a new reform of unemployment insurance, is to divert money from UI to this new fund.

• (1805)

In fact, the unemployment insurance fund is the cash cow of the federal government. It will protect it from the effects of the next recession. By withdrawing from the financing of social programs and the CAP in particular, the federal government leaves the provinces in a position where they will have to deal with the consequences of a future recession and a future increase in the numbers of the poor, while insulating itself from such consequences. How? By having surpluses in the unemployment insurance fund.

Who generates such a surplus? Companies, of course. But not any company, the ones that are labour–intensive, that is the low–tech companies, those where things are done manually. The companies where wages are the lowest. These companies and these workers contribute in a large part to the unemployment insurance fund. Companies with more technology and higher wages, because of ceilings, are exempt. And this means that the fund is financed by workers and companies which are not the main beneficiaries of the fund. Not only do they help give the federal government some protection against the next recession, they also allow it to show a lower deficit since the money is added to the federal budget. We recommended that it not be included anymore.

Finally, not only do we see more cuts in social programs, nothing whatsoever in the way of employment, and continued interference by the federal government in areas where there is money to be had and where it can call the shots, but in the case of manpower training, the federal government no longer says that the provinces know best. That is not what it says. It maintains control over job training and all manpower issues. As I said, it does not want to withdraw from areas where there is money to be had.

However, the money in the unemployment insurance fund comes from labour–intensive corporations employing a lot of low–paid workers and from these workers. Let me conclude by saying that the workers are really the ones who foot the bill since the corporations pass on their costs onto the consumer.

It is really a shame to see the federal government use this fund to shamelessly guard against whatever the future holds, while workers will have to pay more taxes and will run into more problems in the areas of health, education and welfare.

There is another important issue I want to address and it is linked to the new national standards that we can expect with the Canada social transfer. Throughout the budget speech, we are told "This is the beginning of a new era in Canada. We have finally realized that provinces know best", especially, may I add, in tough times. But there is more.

With this new Canada social transfer, the federal government will be able to withdraw during the next recession and still have the power to set new standards.

• (1810)

What are we told? We are told that, for two years, this Canada social transfer will be funded at the average combined rate of CAP and EPF and that, for two years, health care standards will apply, so that the federal government will be able to withhold

payments to provinces who do not comply. We are also told that the Canadian assistance plan, or CAP, the source of half of the social program funding in Canada, no longer exists. The only responsibility that remains is to make welfare payments without minimum residency requirements.

The bottom line is that the government, by dropping CAP, wants to be seen as generous and mindful, at last, of the role of provinces. But the fact is that the government is retreating because it can no longer afford CAP. It does not want to invest the money needed to give its share to Ontario, a province that suffered a lot during the last recession. The government was in a bind and either had to find more money, or penalize Quebec. So, it decided to put on a show of openness, but at the same time to prepare with the provinces new standards applicable, as Mr. Martin said, to the Canada social transfer.

No more cuts, no more centralizing. Let the people and the provinces take care of all the problems and the debt. But the federal government got itself some breathing space by using the money of workers and small businesses.

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General, Lib.): Madam Speaker, I find it strange that the opposition critic objects to this transfer of some areas of jurisdiction to the provinces. Even though the role of the opposition is to criticize the government, in this case, it is still criticizing federalism.

We talked about the surplus in the unemployment insurance fund. Certainly, these past few years, we have been forced to review our programs, to seriously reevaluate them, in order to see where we are in these programs which have existed for more than fifty years or so. We certainly must make some adjustments. We must face the new challenges of market globalization, and I believe that the federal government is fully aware of the importance of taking some corrective measures in this regard.

I would like the opposition critic to tell us what she thinks about the fact that the government has decided to do more in counselling services, in basic training abilities, as well as in training and experience in the workplace. It also intends to do more in child care services. It is even looking at the opportunities relating to the income supplement. I would like to know if, in her opinion, these are not new ways of doing or seeing things which are highly commendable and which will certainly work towards the well–being of the people of Quebec.

Mrs. Lalonde: Madam Speaker, I thank my hon. colleague for his question.

First, I want to say that if I talked about surpluses in the unemployment insurance fund, it is because these surpluses are due to the cuts that have been made. However, my hon. colleague gives me the opportunity to say that what the federal government is about to do with its Human Resources Investment Fund is to provide itself with a fat account, because it will be supplied both by the programs presently financed through the Consolidated Revenue Fund and—this is made very clear in the budget—by the reallocation of the moneys saved by a new reform of unemployment insurance.

That means that the government will provide itself with a big fund to take action in areas of provincial jurisdiction. It will not even bother any longer to try to negotiate or impose its standards, it will take action.

• (1815)

The last step is the centralization in Canada of social programs since the transfer of jurisdictions, because at that time at least they sought approval by Parliament. The last step deals with direct involvement in day care services, in income supplements, because the minister's objective was to be able to take up, through federal funds, the assistance, employability and job development services, yes, but for people able to work, who from now on would not be under provincial jurisdiction but who would, because of the long term unemployed provisions, fall under the central government's control.

So, there is indeed a large reform under way, but that reform, instead of going in the direction of recognizing provincial jurisdictions, is going in the direction of giving, through funding, direct power to the central government. This government does not care about overlap and duplication. It does not care about co–ordinating its operations and setting a strategy with the provinces, which means that in fact the government will completely take over the area of manpower. Under the circumstances, it is easy to understand why it does not want to hand over manpower training to Quebec.

[*English*]

Mr. Jim Abbott (Kootenay East, Ref.): Madam Speaker, I would like to make my position very clear that I do not believe for a second that the people of Quebec, given the opportunity to vote in a referendum that is fairly put to the people, will vote in favour of separation. The member and I have a very substantial difference.

I want to put that on record because I would like to ask a question that would encompass both the possibility of her achieving her dream of Quebec separating and if not. In the issue of bringing education, hospital and the Canada assistance plan together under one roof and downloading as the Liberals are trying to do, at the same time removing $4.5 billion which means that if we are going to maintain the same level of service, which may or may not be necessary, the taxes would then have to go up at the provincial level.

If we can just set that aside, I would like to ask a question in terms of concept because she did raise the issue of national standards. If, as I have already stated, I reject categorically the concept of a separate Quebec but nonetheless if that should transpire, how would the people of Quebec be better off considering that there would be absolutely no national standards; in

other words there would be no joint jurisdiction between Quebec and Canada?

Second, if, as I believe is going to happen, Quebec people choose what is best for them and do stay in Canada, would Quebec and the provinces not be better off if they had the ability to raise the taxes? In other words, the federal government transfers the ability to tax the tax points to the provinces. If they were administering the programs, is that not really the fundamental problem that the BQ and the PQ are presently trying to do, to get more jurisdiction over the areas of health, welfare and post–secondary education?

[*Translation*]

Mrs. Lalonde: Madam Speaker, if I understood well the question of the hon. member, he is wondering if we are not asking in fact for a transfer of tax points. That was the position we adopted and the minority report of the Committee on Human Resources Development refers to a transfer of tax points.

However, it is important to make a point about standards. In all regions of Canada where the members of the Committee have travelled, il was clear that everywhere, except in Quebec, people want strong national standards. As far as they are concerned, Quebecers want, with a few exceptions, to have their own standards.

• (1820)

Quebecers are a people, even though they do not always call themselves that way et they want to make their own standards. Often, those standards are higher than elsewhere for reasons I will not explain here, but it is nevertheless a fact. It is true for daycare services, it is true in the case of the Act on handicapped people, and I could go on.

But being a distinct people with regional differences, it is normal that Quebec wants to create its own standards. This is what I had to say on that issue. From a philosophical point of view, the economic or social organization is different from one people to another. You only have to study peoples as a whole or even peoples having a comparable level of social expenses to see that choices are different according to peoples, their history, their priorities or simply because they are different from one another.

It is therefore on that basis, without explaining it with rational arguments, that one can understand and defend the idea that the people of Quebec wants its own standards.

Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.): Madam Speaker, I must say that yesterday, I listened to the finance minister's speech with interest. I was expecting answers to the many questions put to me in recent months and weeks by the people of Saint–Léonard.

Indeed, all the people I met with and spoke to on the phone gave me much the same advice: "Make up your mind, do something, it is time to take action". They told me: "Put your fiscal house in order, we are on the road to ruin". They said: "Downsize the government, it is too expensive". And above all, they begged me not to raise taxes. They also said not to touch seniors. They said they wanted to continue to invest in their RRSPs because they needed them. They told me to cut subsidies to businesses, to support small and medium size businesses and to tax big corporations and banks.

The electorate in Saint–Léonard is realistic. People there are reasonable and pragmatic. They know that our future depends on the choices we are making now, in the budget the Minister of Finance tabled yesterday afternoon. They know that we must take the bull by the horns and learn to live according to our means. But above all, they know that without a drastic about–face this year, our standard of living and our future chances at prosperity are in danger.

Right at the beginning of his speech, the minister said: "Today, we have made our choice. Today, we take action". Yes, indeed. Our government chose to take the most drastic budgetary measures ever seen in 50 years to control this monster that our deficit has become. The federal government will tighten its belt and cut expenditures—all expenditures at all levels.

However, we will do so in the greatest respect of the values that Canadians hold so dear. We will promote job creation and economic recovery. We will protect the most vulnerable in our society. We will cut down on our life–style. And we will do all this without raising taxes, without cutting the old age pension and without taxing retirement savings plans.

• (1825)

Today, in Saint–Léonard as in everywhere else across the country, Canadians applaud the Minister of Finance. He had the guts to do what others had promised to do for almost ten years. For too long, we have only had smoke screens. Canadians want results, solid and measurable results, and we already have some.

Last year, we promised in our first budget to reduce the deficit to under $40 billion. Once all calculations are done, our bottom line should show that our basic deficit is some $4.4 billion less than expected. Now those are tangible results. This is something new and exciting. For ten years, there were promises to reduce the deficit, but it never happened. And now we managed to make it happen, and we did even better than we expected.

It has been a long time since anyone saw a government overestimate its deficit. The results have been very encouraging as well, here in the House of Commons. As you know, Madam Speaker, a year ago the Board of Internal Economy adopted a plan to restructure the expenditures of the House of Commons. This plan, referred to by some—rather ironically, I suppose—as

the Gagliano plan, was aimed at cutting our expenditures by $5 million annually.

The big challenge was to make these cuts while at the same time providing members and their staff with the tools they need to fulfil the mandate they were given by their electorate. However, times are changing, technology has become more sophisticated and, as a result, members as well as the general public must adapt their tools to changing needs.

For instance, the advent of fax machines and electronic transmission has completely changed our requirement for messengers on Parliament Hill. We sat down and methodically analysed our requirements. We suggested new approaches and implemented our recommendations carefully and diligently.

We helped our employees by proposing generous terms for voluntary departure, which a large number accepted. We redefined tasks and ask the rest of the staff to do their share, each employee being asked to do a little more with a little less.

This morning, the President of the Treasury Board reported on the results of this plan. So far, the House of Commons has saved no less than $5,719,500, compared with last year's budget. We have not only achieved our objective, we have already exceeded it.

But there is more. This exercise continues, since yesterday, the Speaker announced a reduction of $1 million in the budget of the Food Services Branch of the House of Commons. Implemented over a period of three years, this measure will help reduce the operational expenditures of the House of Commons by nearly $7 million annually.

That is what I call results. Concrete results that clearly show we mean what we say when we want to put our house in order.

We are the first to tighten our belts, and we are not asking anyone to do anything we are not prepared to do ourselves.

• (1830)

The answer is simple, and everyone knows what it is. From one end of the country to the other, Canadians are staying within their budget by watching their spending every day. The time has come for all governments, including our own, to do the same.

The Minister of Finance has clearly stated our overall plan. For every dollar of additional revenue, the government will reduce its expenditures by $7. This is an extremely bold new direction, the most cost effective seen in this country in the past 50 years.

To ensure the long term health of public finances, we must review the role and structure of government, without fail. We must centre the activities of government on the priorities of Canadians. With this budget, we are reducing the size and structure of government to a level in keeping with our means.

As the Minister of Finance put it so well, and I quote: "Our view is straightforward. If government doesn't need to run something, it shouldn't. And, in the future, it won't".

The government is therefore going to privatize and commercialize its activities whenever possible and desirable. We will progressively divest ourselves of our interests in companies such as Cameco, a uranium company, CN, Petro–Canada, the Air Navigation System and the Canada Communication Group.

We will reduce our subsidies to business by 60 per cent—I repeat, 60 per cent—within three years. Assistance to industries which we shall maintain will be targeted to the main driving forces behind economic growth, namely expanding trade, science and technology and small business.

Almost every time I rise in this House, I remind my colleagues of the important role played by small business in our economy.

It is always with great pride that I point out that small business is the main source of new jobs in our country. Small business is ever–changing, full of vitality and creativity. It helps us recover more quickly from downturns in economic cycles and makes a major contribution to community development. It should therefore be a matter of priority to provide small business with concrete assistance to ensure its survival and growth. Better yet, we should eliminate obstacles to its success, because when it succeeds, we succeed.

Last year we announced our plan to review the $500,000 capital gains cumulative tax exemption for farmers and small business owners. We have undertaken this review and have concluded that this exemption should be left intact.

I would like to go into a few details in this regard. Yesterday evening, the Leader of the Opposition tried to plant the seeds of fear and confusion in Quebec by criticizing the government for wishing to review certain issues which we must face in coming years.

True, the government does want to review and discuss with the provinces how to preserve our old age pension system, modernize our unemployment insurance system and maintain assistance programs for the poor.

The Leader of the Opposition said earlier that when governments undertake a review, it is always with cutting in mind. I say to my hon. colleague, this is not so. We must be careful not to make such generalizations. We must not plant the seeds of fear and confusion without any good reason. Reviewing means analyzing, examining. Consulting means looking for solutions.

• (1835)

The $500,000 capital gains exemption for small businesses and farmers proves it.

Last year, we said that we would review the matter. After reviewing it, we said that we would keep it, that keeping it was important. Therefore, we must not scare people and have them believe that we are going to change everything and take pensions away from people just because the Minister of Finance announced yesterday that he will be reviewing the pension plan.

These organizations, like the Federal Office of Regional Development–Quebec, play important roles in economic growth and sustainable job creation. Nevertheless, we will not reach these goals by showering businesses with gifts. Everyone agrees on this point. Therefore, we are going to reduce business subsidies substantially. In the future, most assistance will take the form of refundable loans to businesses.

The repayment conditions attached to these loans will promote true expansion possibilities. They will continue to really help our small and medium size businesses, yet get the most for our taxpayers' money.

Lastly, we are determined to give our small and medium size businesses access to the financing they need to remain the primary source of job creation in Canada. I have often repeated my deep conviction that Canadian banks in particular have responsibilities in this area.

We have already taken the initiative of working with banks to correct their current shortcomings. From now until the fall, we will continue our efforts in this area in order to draw up points of reference for small business financing. We want to see concrete results in that sector as well. This process will be reviewed next year, and we have every reason to believe that this collaboration will produce valid results for our small businesses.

The budget tabled in this House yesterday by the Minister of Finance marks the beginning of a new era. It proposes a new way to manage the Canadian Confederation. It features a simpler, more efficient approach that recognizes provincial areas of jurisdiction. That is why we can say without any doubt that this budget reflects our progressive, dynamic, co–operative and pragmatic approach to federalism.

No one can accuse the Canadian government of promoting or proposing the status quo. The provinces will now enjoy greater flexibility and fewer constraints in managing their areas of jurisdiction. The Canada social transfer, which combines into a single consolidated block transfer the three separate payments the provinces used to receive from the federal government, will greatly facilitate operations. This new approach will reduce administrative obstacles for the provinces while giving them maximum flexibility in adjusting programs to users' needs. Provincial governments will no longer have to identify eligible expenditures. They will prepare their own budgets and make their own decisions.

This initiative will simplify bureaucracy at the federal and provincial levels. There will be less red tape, fewer regulations and more results. That is what Canadians from all parts of the country expect from their federal and provincial governments alike. I admit that our budget is a tough one. The cuts announced are without precedent.

• (1840)

But we no longer had any choice. If we want to maintain our standard of living and preserve our children's future, the government has to take firm measures and implement them with determination.

Nevertheless, all should recognize that the budget is also fair. We have made sure that everyone participates in the effort to correct the situation. The residents of Saint–Léonard understand that, as do all Canadians. Our budget is tough, but it preserves the essential. It respects the fundamental principle of fairness between individuals and between regions which guides Canadians. That principle forms the very foundation of our federation and makes Canada one of the best countries in the world. If you will permit me, Madam Speaker, I would like to say a few words to my English speaking voters.

[*English*]

The budget the Minister of Finance introduced last night is definitely a strong budget. The question we have to ask ourselves today is whether we had a choice. In the last few months international financial markets and our own financial institutions had sent the message that we had to put our financial house in order.

The Minister of Finance, who has the responsibility to find a balance between restoring confidence in the market and not being too harsh in cutting measures, was able to ensure that economic growth would continue. At the same time, the financial markets were looking for a commitment from the government that it was serious and meant business about putting its financial house in order.

The Minister of Finance did a very good job in presenting his very balanced budget. This morning we saw the financial markets responding, as did the media and the people. I have been a member of the House for over 10 years. It is the first time that after the presentation of a budget I have seen such positive announcements and comments in the media and elsewhere. We owe a message of congratulations to the Minister of Finance and the government for a job well done.

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Madam Speaker, after hearing the reassuring words of the minister I would like to be able to say I will sleep better tonight, but I cannot.

The minister referred in his presentation to serving up illusions. The inference is that this is no longer happening to us with the present government. We have had 25 years of illusions, 25 years of rhetoric, 25 years of telling us we are going to get tough with the deficit, we are going to really move in on it this year, next year or the year after that.

What the minister forgets is that it was much easier for previous finance ministers to sell illusions than it is for the incumbent. Previous finance ministers could actually make illusory cuts and sell them, but the present minister, in order to sell an illusion, has to make real cuts. The problem is that it remains an illusion because the cuts are not deep enough.

All that is happening is that the government is making enough cuts in the projected spending for the next three years to keep even with the additional interest that it is going to have to pay on the money it already owes. The government is standing still.

It makes me think of a sailor who has been shipwrecked and is treading water madly. He sees a lifeboat about 100 yards away. Instead of trying to make it to that lifeboat he says: "That's too tough, that's too hard. I'm just going to keep right on treading water". He does and eventually he drowns. This government is treading water and Canada is drowning in debt.

• (1845)

I ask the minister, what contingency plan does this government have for the time when the interest payments on our deadweight debt become so great that there is no money left to maintain social programs or even basic government services? This is the direction in which we are heading.

We are heading in a direction where there will be no social safety net. There will be no pensions. There will be no welfare. There will be no UIC. There will be nothing if the whole rotten house of cards comes tumbling down. What contingency plan does this government have?

Mr. Gagliano: Madam Speaker, first I want to thank the hon. member for giving me the opportunity to express my thoughts on this matter.

I understand the member. I have the same frustration. I have been in this House for 10 years. Every year we would see the Minister of Finance get up and promise to reduce the deficit, but he never did. Last year, for the first time in 10 or 11 years, a Minister of Finance stood in this House and predicted a deficit.

The government fiscal year end is March 31 and we are now at February 28. We are one month away from the end of the fiscal year and we are predicting, after accounting for everything, that the deficit will be reduced by more than what we predicted, $4 billion more. That was the commitment we made to Canadians in the last election. It was the commitment we made to Canadians when the Prime Minister took office. We said that what we say is what is going to happen because we made that commitment and we want to make sure that Canadians know.

That is why this morning financial markets and all the economic and financial analysts were very satisfied with the budget. They finally realize that we are going to have a deficit of $24 billion next year, which is our commitment in the red book we campaigned on, of 3 per cent of the GDP. It is important to our financial markets, our financial and economic system that we make the assurance that when we predict something, when we estimate and make assumptions that we know what we are assuming and we reach those targets.

That is the first thing the Minister of Finance did in his first budget. He has continued to do it in the second budget. He has kept our commitment of 3 per cent and also has reached beyond that.

There will be a day when we will have no deficit and we can start tackling the national debt. There will be that day with this government and with this Minister of Finance.

Also, the member should not forget that besides having a financial deficit there is a human deficit. The government is not a business that can just close the door and say: "Well, too bad". This is a government. We are running a country. Besides the financial deficit there are human beings who have to be considered.

That is what the Minister of Finance and this government are doing. We are making sure we keep our commitment to reduce the deficit so that we will be able to tackle the debt and have economic prosperity in order to assist those in need. We will be able to create jobs for the youth of this country so they will have a future.

The way the Reform Party sees things, everything is black and tomorrow is the end of the world.

Mr. Jim Abbott (Kootenay East, Ref.): Madam Speaker, to the secretary of state, I notice in the document provided by the government yesterday called the "Budget in Brief" there is a quote on page 14: "This government is absolutely committed to providing a fair and sustainable system of protection for Canada's seniors".

I wonder if he can help us understand something here. The government has just made, I grant, real cuts of $10 billion. The payment on interest in the time that this government has been in place has increased $10 billion which means that we are treading water. Interest charges are increasing at a rate of 17.3 per cent. The governments have let our Canada pension plan get into a position of being underfunded $487.5 billion on top of the $545 billion that we are in debt at the national level; in other words, over a trillion dollars.

Considering all this, I wonder if he would not agree with me that the words in "Budget in Brief" saying, to quote the finance minister, that come hell or high water we are going to look after our seniors are not just words.

If we are going in the hole that quickly with additional interest charges which is interest being paid on money that we have already borrowed, we are going backward so rapidly that in spite of this government's words we are not going to have the capacity to be able to look after our seniors.

Mr. Gagliano: Madam Speaker, let me assure the hon. member and all Canadians watching as of this moment that there will be money. The Government of Canada will be able to keep its commitments and pay pensions to seniors.

The difference is that the Reform Party sees everything black, it is the end of the world. The member acknowledged that we have made real cuts. We have a balanced budget in terms of real cuts and it will encourage economic growth. The deficit will disappear. The deficit will be reduced by creating jobs.

What the Reform does not understand is that by creating jobs people work, pay taxes and will increase the number of dollars that will come in. The government will pay the debt.

The problem that we had in the past 10 years was the previous government committed to certain targets that were never met and the expenses were higher than revenues. For the first time in Canada our operating budget is in surplus. That is what the Reform Party does not want to understand.

[*Translation*]

The Acting Speaker (Mrs. Maheu): It being 6.52 p.m., and since no member wants to take part in the adjournment debate, the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.52 p.m.)

HOUSE OF COMMONS

Wednesday, March 1, 1995

The House met at 2 p.m.

Prayers

STATEMENTS BY MEMBERS

[*Translation*]

SAVE YOUR VISION WEEK

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, March 5 to 11 is "Save your vision week" in Canada. This is an annual event to foster public awareness sponsored by the Canadian Association of Optometrists.

This year's theme is: "Hope is in sight. Good vision and literacy: There is a clear connection".

Many Canadians are unable to read simply because they do not see well. Children do not learn to read if they cannot focus on the blackboard or on the words in a book. One child in six has a vision problem, which makes it hard for him or her to learn and to read. The key is prevention. Early detection of vision problems really helps improve literacy. It has been established that three quarters of adults with literacy problems also have vision problems.

I join, therefore, with the 2,800 optometrists in Canada to remind Canadians that good vision is a must for good reading.

* * *

PUBLIC SERVICE

Mr. René Laurin (Joliette, BQ): Mr. Speaker, the president of the Public Service Alliance called upon his members yesterday to make a decision on a work–to–rule action and other pressure tactics to protest the public service cuts.

The Liberal government refuses to enter into a constructive dialogue with the Public Service Alliance. Yet the alliance has stated its willingness to join forces with the government to ensure better management of staff reductions and to maintain services to the public. In deciding against negotiations and partnership, the Liberal government is in essence denying the very principle of collective bargaining.

With a work–to–rule action by civil servants on its hands, the government is now reaping what it has sown. All Canadians and Quebecers will pay for the contempt displayed by the Liberal government.

* * *

[*English*]

FIREARMS

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, it gives me great pleasure to recognize the mayor of Dauphin, Manitoba, Mr. Inky Mark.

This gentleman took upon himself to compile resolutions from approximately 200 municipal governments from all provinces and territories. These resolutions support the principle that all Canadians now and in the future shall continue to enjoy the lawful, responsible and safe use of all firearms.

He took these efforts upon himself because he felt the voice of the tax–paying, law–abiding citizen was seldom heard. He has consistently asked for the establishment of a national firearms advisory council whose members would be made up of a cross–section of non–partisan people.

I would like his message to be heard loud and clear and to pay tribute to his tireless efforts on behalf of responsible recreational firearms users.

* * *

HEALTH CARE

Hon. Audrey McLaughlin (Yukon, NDP): Mr. Speaker, the Prime Minister has finally admitted with his budget that his government has no intention of maintaining national standards in our health care system. Today the Prime Minister was quoted as saying: "Social programs such as medicare will revert to meeting more basic needs as they did when they were started half a century ago".

Fifty years ago someone in my family suffered from a major illness. We were fortunate as a family that it only took us 10 years to pay off the bill. Fifty years ago others lost their farms and businesses for reasons of health and health expenses. Because of that they also lost hope for the future.

It is clear now that this government is intent on doing away with national standards with the national health care system. In fact rather than building Canada, the Prime Minister has con-

firmed today the government has set us on a course to dismantle this country.

* * *

[*Translation*]

SIMCOE COUNTY BOARD OF EDUCATION

Mr. Paul DeVillers (Simcoe North, Lib.): Mr. Speaker, I am very pleased to announce to the House that, as of next September, the Simcoe County Board of Education's intensive French language program will be offered at Bradford West Gwillimbury elementary school.

Five out of the six major centres in Simcoe county now offer a bilingual curriculum to their English speaking students. This year, over 500 elementary and secondary school students registered for the program, which is in its sixth year. I wish to congratulate the school board, its staff, and above all, the parents of Simcoe county for participating in this program and for their contribution to bilingualism in Canada.

The intensive French language program is another example of the importance placed on the French language in Ontario and elsewhere in Canada.

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[*English*]

MICHAEL BARNES

Mr. Benoît Serré (Timiskaming—French River, Lib.): Mr. Speaker, today I rise in the House to congratulate Mr. Michael Barnes, a constituent from my riding of Timiskaming—French River.

Mr. Barnes is a teacher and historian who has chronicled the history of northern Ontario. This region is as rich in exciting history as any other in Canada but is often ignored by the majority of Canadians.

Mr. Barnes has researched our history from the early days of the gold camps and the construction of the railways. In all his works Mr. Barnes has celebrated the resilient and rugged people who came from across Canada and the world to settle and prosper in this bountiful region of our great nation.

Northern Ontario and indeed Canada should be proud of Michael Barnes. I call upon all members of Parliament to join me in congratulating him today as he rightly becomes a member of the Order of Canada.

* * *

• (1405)

LIGHTHOUSE KEEPERS

Mrs. Jean Payne (St. John's West, Lib.): Mr. Speaker, today I would like to bring to the attention of this House a long and storied Canadian tradition, that of the lighthouse keeper. Recently, Transport Canada announced that the remaining lighthouse keepers in Canada would be replaced by an automated system.

Today I would like to speak about two historic and treasured stations located at Cape Spear and Cape Race in my riding.

Cape Spear, Newfoundland is the most easterly point in North America. It is where man meets the sea. The lighthouse station at Cape Spear, in operation since 1835, is still manned by a lighthouse keeper. Yet on the 160th birthday of this lighthouse, Transport Canada wants to have machine meet the sea at this historic point.

The second lighthouse, Cape Race located in southeast Newfoundland, has for decades been the reference point for European ships bound for the Americas. Since 1856 European ships have approached a manned lighthouse station at Cape Race.

I urge Transport Canada to re–examine its decision regarding the demanning of these lighthouses. One hundred and sixty years of history and tradition—

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[*Translation*]

IMMIGRATION

Mr. Richard Bélisle (La Prairie, BQ): Mr. Speaker, in a move of extraordinary cynicism, the Liberal government has decided to impose what amounts to an immigration tax. The members of the Bloc Quebecois deplore this virtual tripling of the fees required upon submission of an immigration application. In addition to the basic $500, an adult immigrant will have to pay a tax of $975 to have his application considered.

This government, which has loudly proclaimed its openness to immigration, which wants to boost its citizenship profile, which produces one overblown speech after another on Canada as the country of choice for immigrants, is practicing the exact opposite of what it preaches.

The message sent by this fee hike could not be clearer: Canada is no longer interested in taking in immigrants, and is particularly uninterested in those with low incomes. It has decided to close the door and exclude those whose contribution has been and is still so important for Quebec and Canadian society.

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[*English*]

VISION AWARENESS WEEK

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, next week is Vision Awareness Week in Canada. It is an annual public awareness campaign sponsored by Canadian optometrists. This year's theme is "Hope is in sight. Good vision and literacy: There is a clear connection".

Can you imagine if all of us who wear glasses went without them for a day or even half a day? That would put us in the position of those I am addressing today.

Many Canadians cannot read well because they cannot see well. Children will not learn to read if they cannot focus on the chalkboard or on the words in a book. One in six children has a vision problem.

Not all vision problems are easy to detect, therefore the earlier problems are detected and corrected, the better. Prevention is the key. The fact is that three–quarters of adults with poor literacy skills also have problems with their vision.

As literacy critic for the Reform Party, I join Canada's 2,800 optometrists in reminding Canadians that good vision is necessary to become a good reader.

* * *

INTEREST RATES

Mr. Jag Bhaduria (Markham—Whitchurch—Stouffville, Ind. Lib.): Mr. Speaker, now that the federal government has tabled its 1995 budget, a tough budget that will suit the wishes of international investors, it is time to get down to the serious business of controlling our financial destiny.

The federal government must instruct the Bank of Canada to bring the effective interest rate down from the present superficially high level. A lower interest rate will result in increased job growth for Canadians. It will greatly assist small and medium sized businesses.

Interest rates should be brought down by at least 2 percentage points. One result of this move would be lower interest payments to foreign investors. Another would be that small and medium sized businesses could afford to borrow money for expansion, thereby creating jobs.

We need a made in Canada interest rate. We have to control our interest rates in order to achieve a balanced budget in the long run.

* * *

[*Translation*]

INTERNATIONAL WOMEN'S DAY

Mr. Nick Discepola (Vaudreuil, Lib.): Mr. Speaker, this year, International Women's Day falls during our week off. That is why I rise today to pay tribute to all Canadian women from coast to coast.

Let us look around us. There are now 54 women sitting in the House of Commons. We have come a long way since Agnes McPhail became the first woman elected to the House of Commons in 1921; since the judiciary committee of the Privy Council finally recognized, in 1929, that women were persons in the eyes of the law; since Carine Wilson became the first woman appointed to the Senate in 1930.

Women have left their mark in all their fields of activity despite the obstacles that keep springing up in their way, simply because our society is still tainted by widespread and offensive sexism.

To our mothers, sisters, wives, daughters, colleagues and friends, to all women in Canada, I say thank you.

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• (1410)

[*English*]

RODGER DUSKY

Mr. Joe Fontana (London East, Lib.): Mr. Speaker, I would like to pay tribute today in the House to Mr. Rodger Dusky from my riding in London, Ontario.

On February 16, Mr. Dusky received the Prime Minister's award for teaching excellence in science, technology and mathematics. This award recognizes teachers across Canada who have had a major proven impact on student performance and interest in these areas. Mr. Dusky was nominated for this award by one of his former students.

Mr. Dusky has been a teacher for 32 years and has been teaching science and chemistry at London Central Secondary School since 1987. Most notable in his achievements is "The Mentor Connection". This program twins high school students with professionals from the community in order to support and enhance the autonomous learning projects of the students.

This program has been a tremendous success locally. Mr. Dusky is presently in the process of trying to expand the program so more students can benefit from this unique opportunity. It is through these types of initiatives and teachers such as Mr. Dusky that our children have the skills and knowledge to effectively compete in the constantly changing workplace.

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[*Translation*]

QUEBEC'S CULTURAL COMMUNITIES

Mr. Patrick Gagnon (Bonaventure—Îles–de–la–Madeleine, Lib.): Mr. Speaker, in the past two days, the Bloc member for Louis–Hébert and his colleague from Chicoutimi have missed their chance to make amends for the racist and discriminatory remarks they made about Quebec's cultural communities.

After their leader had rebuked them, these two members found nothing better to do than issue releases stating that they regret any embarrassment their remarks caused the Leader of the Opposition and any harm they have caused their colleagues in the Bloc Quebecois or those involved in building a sovereign, open and profoundly democratic Quebec.

The truth of the matter is that the two Bloc members are probably not sorry they made such blatantly racist and discriminatory remarks about our cultural communities; they are just sorry their party and the separatist cause may have been hurt by their remarks.

How can the people of Quebec believe in their plan for an independent, supposedly open and profoundly democratic Quebec, when in fact the very people responsible for promoting this plan, like the two hon. members opposite, have no regard for the most fundamental of principles?

We demand no less than formal apologies to be made in this House to our fellow citizens newly established in la Belle Province de Québec.

* * *

FEDERALISM

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, when he tabled his budget, the Minister of Finance said, with a smile on his face, that the era of flexible federalism had now arrived. However, we had to be suspicious of that smile, which was more akin to the kiss of Judas.

How can the minister be serious about flexible federalism when he is considerably limiting the financial margin of the provinces by reducing transfers, while at the same time maintaining national standards for welfare, health and post-secondary education?

After promising to reduce overlap and duplication between the two levels of government, the minister has now decided, despite all the opposition, to keep control over a sector as vital as manpower training.

In its editorial of today, *Le Devoir* says that current federalism "manages without us and clearly declares itself to be imperial".

This is what federalism has become.

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[*English*]

MEMBERS OF PARLIAMENT PENSIONS

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, I am pleased to present the third instalment of the Liberal's copy Reform awards.

Today's winner is the member for Vancouver Quadra whose personal proposals for pension reform are suspiciously similar to the Reform blue book. At a time when the cabinet has approved a two tier pension plan that will make millionaires out of defeated politicians, it is indeed outstanding to have a government backbench MP suggest that the treasured gold plated pension plan be based on the principle of matching funds.

Imagine a Liberal actually saying that MPs should live by the same rules as other Canadians, collecting their pensions at age 65, or that they should be forced to tighten their belts like those living outside planet Ottawa. Reformers have been calling for these changes for four years.

I commend the member for Vancouver Quadra for joining our cause. I call on the Prime Minister to stop comparing his salary and pension with professional hockey players and start comparing it to those who actually pay his salary and pension, the Canadian taxpayers.

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[*Translation*]

THE BUDGET

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Mr. Speaker, last week, the Bloc member for Roberval was concerned by the decision of the American rating agency Moody's to put Canada's credit rating under review.

• (1415)

The opposition member said in this House, and I quote: "The pressure from the financial community is a signal that the Minister of Finance should tackle the deficit problem by making massive cuts in government spending, which has to be the preferred approach, rather than raise the taxes of the middle class".

I am pleased to see that the wish of the hon. member for Roberval was largely met in Monday's budget.

I want to further reassure the member by reminding him of the comments made by his colleague, the official opposition critic for finance, on the CBC'S French radio network yesterday morning: "The economists and the financial community seem relatively pleased with this budget —and rightly so since, from a strictly financial point of view, Mr. Martin seems to be willing or able to reach his objectives—".

The Speaker: Regrettably, I must interrupt the hon. member. The hon. member for Scarborough Centre.

* * *

[*English*]

THE BUDGET

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, last Monday the Minister of Finance brought forth a trustworthy budget that will put our country in a new era of financial responsibility.

Not only do we feel this is a good budget for Canada, even the international community approved. Within two hours of the budget the dollar began to rise and the interest rates began to fall. These are signs of recognition that we are indeed on the right track. I am happy to add that most reasonable citizens have

come to realize this and have accepted the budget as truly a progressive budget.

One reasonable citizen, I am pleased to note, is the Reform Party's financial critic who was so approving he led the applause in the House. In fact at one time he gave the finance minister a standing ovation, an act earning him reproval from his Reform Party colleagues.

Reform Party members accused us of smoke and mirrors during our prebudget consultations while they spread false information throughout the country. Yet the budget shows Canadian citizens that we were listening.

ORAL QUESTION PERIOD

[*Translation*]

THE BUDGET

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, in its budget, the federal government is downloading part of its deficit to the provinces by cutting $7 billion from transfer payments for social programs. As a result, Quebec alone will lose $650 million next year and $1.9 billion in 1997–98. The Quebec Minister of Finance roundly criticized the negative impact of a budget that will force the Quebec government to reduce services or raise taxes or both.

Will the Minister of Finance have the basic honesty to admit to the House that cuts in transfer payments mean that Quebec will have a shortfall of $2.5 billion three years from now, including $1.9 billion for 1997 alone, which is 41.7 per cent of total transfer payments for that year?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, we intend to sit down with the provinces to discuss how we will approach the changes in transfer payments. There is only one correct figure: In 1996–97, compared with this year, there will be a cut of $350 million.

If we consider the potential for eliminating duplication and overlap, I think this can be absorbed.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, I beg to differ with the minister on a matter as basic and simple as arithmetic. If the budget had not interfered with transfer payments this year, Quebec would have received $300 million more, according to the estimates for transfer payments. The minister cancelled the $300 million increase and cut an additional $350 million. According to what I learned in school, 300 plus 350 equals 650 million.

Mr. Loubier: The Minister of Finance cannot count.

Mr. Bouchard: The minister tells us that as far as the $2.2 billion over a three year period is concerned, there is some uncertainty, since the $4.5 billion that will be cut in the third year will have to be distributed among the provinces, after negotiations with the federal government.

If there is any uncertainty, and in fact there is not, since the technical document published by the Department of Human Resources Development says this will be done on a per capita basis, and the minister says, on page 17 of the budget speech, that he will apply the same criterion—if there is any uncertainty, then it should be cleared up.

• (1420)

Yesterday and again today, the minister said that he was ready to meet the provinces the very next day. Perhaps the minister would like to tell us whether he agrees the provinces should be summoned immediately to a formal federal–provincial conference, where he would clarify the issues and tell us what the repercussions will be for Quebec?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, when I met the provincial finance ministers before the budget and we discussed the changes in transfer payments, I told them I would be ready to meet them as soon as the budget was brought down.

So the answer to your question is yes. In fact, I have already made that clear to the finance ministers. The Leader of the Opposition mentioned arithmetic. Well, there is a difference of at least one billion dollars between the figures quoted by the leader of the Bloc Quebecois and those quoted by the Quebec finance minister, so you will have to check with headquarters.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, I would appreciate a clear answer. I would like the minister to tell us whether he will immediately call a federal–provincial conference to discuss how the cuts in transfer payments will be distributed.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I certainly intend to schedule a meeting with the finance ministers. They asked me to wait until they had all tabled their own budgets, so let me know when Mr. Campeau tables his, and I will tell you when we will have this meeting.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, is the Minister of Transport having problems? I think this is my question and not his. If the Minister of Transport misses being in the opposition, he will be back here soon enough. In the budget speech, the Minister of Finance proposed that the funds paid into the Canada Assistance—

An hon. member: Give him his valium.

The Speaker: Order. I realize today is Wednesday, but, nevertheless, it is the hon. member for Roberval's turn to ask a question.

Mr. Gauthier: Mr. Speaker, in the budget speech, the Minister of Finance proposed that transfers under the Canada assistance plan for social assistance now be allocated among provinces in the same way as established program financing transfers for health and post-secondary education—by combining, in 1997, all transfers into a single one: the Canadian social transfer.

Will the Minister of Finance acknowledge that his government's intention to pay the amounts involved in the Canada assistance plan according to the criteria for the established programs will deprive Quebec, in 1997, of several hundreds of millions of dollars in social assistance, in favour of Ontario?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): No, Mr. Speaker.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, my supplementary question is as follows. In his budget, the Minister of Finance announced that he will change the bases, the criteria for allocating money under the Canada assistance plan. He said himself that the transfer will be on the same basis as for the other programs, that population will be the criterion for allocation.

If the Minister of Finance is using population as the Canada assistance plan allocation criterion in order to transfer to Quebec the money involved as a lump sum, will he acknowledge that this approach will take hundreds of millions of dollars away from Quebec in favour of a province like Ontario? If he will not acknowledge this, will he tell us what basis he is using?

• (1425)

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I indicated very clearly that we intend to sit down and negotiate with the provinces. We are bringing about changes in federalism. I think that this will require face to face discussions. I have a hard time understanding the questions. I think the hon. member has been briefed by Bob Rae.

[*English*]

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, yesterday officials of the Department of Finance were telling investors that Canada would balance its budget by the year 2000. Today they are reassuring those investors that even a downturn in the American economy will not stop the government from balancing the budget because the effects will be offset by cuts to social programs and transfers to the provinces.

My question is for the Minister of Finance. Why were Canadians not given more details about the impending social cuts in Monday's budget? Will the minister reveal his real agenda for social spending reductions, a hidden agenda which must exist if the budget is to be balanced by the year 2000?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, this is the second day in a row on which the leader of the third party has referred to apparent briefings or statements by unnamed Department of Finance officials.

I think we should make the record clear. I do not know what the leader of the Reform Party is talking about. That makes me a fairly typical Canadian.

The fact is that I am really not able to respond. I would like to respond to the leader of the third party's statement, but I do not know about the briefings that he is raising and that he raised yesterday.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, I refer to stories in a number of the financial papers about assurances being given—

Some hon. members: Oh, oh.

Mr. Manning: There are also broad hints in the budget that the minister is obviously contemplating deeper cuts in social spending and transfers if he is going to balance the budget.

If these plans are in progress they are being developed behind closed doors, without Canadians knowing. We even wonder whether the Minister of Human Resources Development knows about them. The finance department is planning major cuts. The human resources minister yesterday said that what they were going to do was reshuffle existing funds to his department.

My question is for the Minister of Human Resources Development. Is that minister personally aware of the changes the finance department has in store for social programs? If so, will he share that agenda with the Canadian people and with the House?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I have read very carefully the document that was tabled in the House on Monday. I am prepared to share it with the hon. member for Calgary Southwest because obviously he has not read it.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, if the chief financial officer of a publicly traded company put out a prospectus on Monday and it was found out on Wednesday that they had hidden plans which affected the bottom line and all the shareholders, that CFO could go to jail under Ontario securities law.

None of us would like the Minister of Finance to go to jail, so my question is: Will he come clean and tell Canadians what social program cuts the government is planning in order to balance the budget after 1997?

• (1430)

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): It is somewhat incongruous watching the Reform Party trying to defend social programs. It is like watching an elephant tap dance.

The Reform Party has to be very desperate and it is quite clear it is so disconcerted by the very favourable reaction that the financial markets have given to this budget but it has lost its issue and is trying to make one up.

There is no hidden agenda. The only agenda that people are looking for today is the Reform Party's and they cannot find it.

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, the finance minister announced in his budget that he intends to tackle old age pensions. One of the budget documents states that the reform of old age security will be based primarily on the following principle: old age security benefits will be calculated on the basis of family income, as is the case with the guaranteed income supplement.

Can the finance minister confirm that calculating old age security benefits on the basis of family income will mean that, in the future, old age pensions will no longer be the same for everyone and that thousands of senior citizens will see their pensions drop?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, to answer the question directly, the exact opposite is true.

Having said this, the federal government and indeed the provincial governments are duty bound to protect old age pensions, the Canada and Quebec pension plans. We intend to sit down no later than this fall to work out a sustainable system. You have seen the actuarial report on this subject.

So I cannot understand the position of the hon. member who would not protect Canadian seniors' old age pensions.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, if the finance minister protects old age pensions the way he has protected unemployment insurance, we are not out of the woods yet.

Will the finance minister admit that calculating old age pensions on the basis of family income will directly penalize for the most part women whose financial independence will be compromised?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, no firm decision has been made on this matter. We intend to consult, and it is indeed our duty to do so, but nevertheless let me answer your question directly.

According to the study by the Caledon Institute of Social Policy, women are not only protected, their pensions are in fact increased. It is a good thing for women.

I put the following question to the hon. member: He is against seniors, is he also against women? The hon. member should get his numbers right before asking questions.

[*English*]

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, a centrepiece of the government's budget is the creation of something called the Canada social transfer.

The government's motive for creating this transfer is that this government was planning to make larger and bigger cuts to sacred cows like health, post-secondary education and welfare in this and possible future budgets.

To clarify the situation and to clarify the answers that the minister just gave, will there be any additional cuts to this new super transfer beyond those announced in the current 1995-96 budget?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, we set out a very clear plan to preserve our social programs. The Canada social transfer provides us with a basis to do that. It provides us with the basis to do that in very straightened circumstances.

• (1435)

I continue to have some difficulty understanding the nature of the question. I have a great deal of respect for the member but he must understand that he is with a party that recommended two weeks ago that we take $15 billion out of those social programs which would effectively gut them. We are certainly entitled to have a little consistency on economic policy in this country by at least one of the two opposition parties.

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, I certainly appreciate the answer by the hon. minister.

The Reform Party was up front. We laid it out that we would reduce by $15 billion the social program spending.

What I am asking the minister and the government of this country to do is to lay it out for Canadians and tell them the truth about what is going to happen. That is what we want.

If we look at this 1995-96 budget, the government's transfer proposals provide no additional tax points and actually cut cash transfers to provinces by 20 per cent to 25 per cent. What else is going to happen?

Is this one of the ways that the government is planning to decentralize the deficit but there is a hidden agenda that provinces do not understand?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, we have had numerous meetings with the ministers of finance of the provinces. The minister of HRD has had numerous meetings with his counterparts in the provinces. The provinces understand full well the nature of the federal fiscal dilemma. They understand also that it is very important that the federal government get its fiscal house in order because that has enormous benefits for them.

What the provinces said to us was no surprises and there are no surprises. They said hit yourselves first and we have. They have said hit yourself harder than you hit us and we have. We have lived up to every one of our commitments. There is no hidden agenda. There is one very public agenda and that is that we are going to preserve the social programs of this country and clean up the nation's finances.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, my question is for the Minister of Human Resources Development.

In the budget speech, the federal government announced that it will be setting up a human resources investment fund of several hundreds of millions of dollars, which the federal government will use to meddle in the area of job training.

Will the minister concede that this fund infringes on the powers of the provinces, does nothing to decentralize government and, in fact, increases even more overlap and duplication between governments?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I do not know how the hon. member arrived at that conclusion because what we are proposing to do is eliminate many of the old programs that were under the Canadian job strategy which no longer are relevant to the kind of situation we face.

By consolidating our existing resources into one human investment we can then sit down with the provinces, as we are doing now on issues of child care and literacy, and work out new partnerships and new arrangements with the provinces, the municipalities and private sector partners. It gives us the flexibility we need to now engage in a new generation of social programming that really fits both the reality and the changed circumstances the country finds itself in.

That is the same kind of flexibility we are achieving through the new form of Canada's social transfer. We are also achieving this by putting up a new form of funding resource in our own department so that we can undertake those kinds of partnerships I just outlined.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, will the minister also admit that the human resources investment fund goes in the opposite direction of where Quebec wants to go regarding job training, since, instead of withdrawing from this sector, the federal government plans to infringe more and more on Quebec's jurisdiction?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, the hon. member is in some strange vapour today. He is drawing a conclusion that has no basis in any kind of fact. I have just told the hon. member that creating a new kind of investment fund puts us in a position of being able to start with a clean slate to sit down with the provinces and other stakeholders and work out new partnership arrangements.

I would remind the hon. member that we have already tabled with the provinces, including the province of Quebec, offers for serious transfer responsibilities in the area of training and the province of Quebec has not responded in a positive way. Certainly other provinces have and I would issue the invitation again to sit down and we are prepared to turn over responsibility for managing institutional training. I would hope that the hon. member would use his good offices with his colleagues in Quebec to say come back to us with a good offer.

* * *

• (1440)

CANADIAN BROADCASTING CORPORATION

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, my question is for the Minister of Canadian Heritage.

Yesterday Tony Manera, the president of the CBC, resigned because the Liberals broke their red book promise for stable multi-year funding to the CBC. Manera says that in the next three years the government plans to cut $120 million more from the CBC than the $45 million that was stated in the budget.

The minister has a secret agenda about the future of the CBC which he has failed to disclose. Why has the minister failed to provide this information to Canadians?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, our colleague is out of luck. Her assistant is no better as a researcher than he was as a candidate in Ottawa—Vanier.

The information she put forward is false. The government has given a clear indication of what it will do in the budget and that is to fix the CBC budget for next year. All the rest is invention. Mr. Manera has resigned because of personal reasons.

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, with all due respect to the minister, cheap political shots against an honourable and professional candidate in an election are clearly out of order in this House.

The Department of Canadian Heritage did send a secret document to the president of the CBC confirming its plans to cut the CBC over the next three years. That includes $120 million in the cuts that the minister has failed to report.

How can the minister justify wasting more taxpayers' dollars on another review as stated in the budget plan when according to the president of the CBC the government has already made up its mind?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, talking about cheap shots, let me quote the hon. member: "Mr. Manera is not staying to fight. It is an abdication of leadership which means that he is not up to the challenge of developing a blueprint for changing broadcasting".

The only figures that have been passed on by my department to Mr. Manera and the CBC are the figures of the program review. The government established one year of budget for the CBC, the next fiscal year. The other figures amount to 15 to 10 per cent for the next three years. They were contained in the program review of last August.

[*Translation*]

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, my question is also for the minister of heritage. Mr. Manera agreed to become president of the CBC after the minister had assured him that there would not be any cuts to the CBC's budget.

• (1445)

Instead of claiming that Mr. Manera resigned for personal reasons, would the minister be honest enough to admit—

Some hon. members: Oh, oh.

The Speaker: Dear colleagues, it must be taken for granted that questions and responses will be honest. I would therefore ask the hon. member to withdraw the expression she used.

Mrs. Tremblay: Mr. Speaker, it is not a matter of honesty.

Could the minister admit that this resignation is directly related—

Some hon. members: Oh, oh!

The Speaker: I would ask the hon. member to put her question, please.

Mrs. Tremblay: Instead of claiming that Mr. Manera resigned for personal reasons, will the minister admit that this resignation is directly related to his failure to honour his commitment as heritage minister not to make further cuts to the CBC's budget?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, there is a passage in the Gospel—

Some hon. members: Oh, oh!

Mr. Dupuy: —about "whited sepulchres". Only a few weeks ago, our colleague rose in this House, loudly demanding that Mr. Manera resign. Did she undergo a conversion? She is now defending him. Did she undergo a conversion and decide to defend the CBC, this great federalist, national institution?

Some hon. members: Hear, hear.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, does the heritage minister admit that he is no longer either a friend of the corporation, as he himself claimed, nor, as heritage minister, a friend of cultural organizations and the arts community, whose interests he has been unable to protect, since culture is one of the sectors hardest hit by the federal budget?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, the Leader of the Opposition referred to the fact that arithmetic is taught in grade school. I am surprised that a former teacher cannot do simple arithmetic and realize that if there is one sector that was not hit hard, it is the cultural sector.

I therefore categorically deny our colleague's allegations and I can reiterate that Mr. Manera did not resign because of the budget. He said so himself in writing. She is in fact questioning the good faith of the former President of the CBC.

* * *

[*English*]

THE BUDGET

Mrs. Sue Barnes (London West, Lib.): Mr. Speaker, my question is for the Minister of Finance.

Since Monday's fiscally responsible and fair budget we have heard speculative statements about how the budget impacts on Ontario. After four and a half years, the current premier of Ontario will soon have to do his own accounting to the people of Ontario.

Would the Minister of Finance please clarify how the budget affects Ontario, a province with 37.5 per cent of the nation's population?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I would like to thank the member for London West for her question because it gives me the opportunity to correct the exaggerated claims being made by the Government of Ontario.

We have gone to great lengths, we have taken great pain within the budget to make sure that it is fair and equitable and does not impact disproportionately on any single region of the country.

Ontario's share of the downsizing of the public service is in line with its share of the national population. We could go one step further. Nearly 161,000 jobs were created in Ontario last year. We are going to maintain this recovery with a good budget so we can create jobs in Ontario at the same level next year. That is why we acted the way we did.

• (1450)

The member has asked me to deal with the facts. Ontario's share of budgetary actions is in the same range as its current share of federal spending and it is actually less than its share of Canada's population. If Bob Rae wants to play politics, he can do it. However, he should stop playing politics with the facts because he will never get re–elected that way.

The Speaker: May I appeal to hon. members once again? All questions put in the House are deemed to be reasonable questions. I believe that all hon. members should have the chance to hear reasonable answers. I would ask please, when questions are put to give enough time for the answer to be given.

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, today the Prime Minister, when speaking of the budget changes said: "Social programs such as medicare will revert to meeting more basic needs as it did when it was started a half century ago".

What exactly does the Prime Minister mean by basic services?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the Prime Minister means what he said this morning and what he has repeated. He intends to support and maintain a universal, accessible system of health care across the country where treatment is based not on the size of your pocket book but on the serious illness you face.

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, Reform has stated time and time again that what health care needs is flexibility. We do not need the solutions of 50 years ago. We do not need poor technology. We do not need poor innovation.

Will the Prime Minister recognize in front of all Canadians that his budget will gut health care?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the absolute hypocrisy of the Reform Party is never more evident than when its members rise to defend the benefits of universal health care. This is the very party that would have cut the heart and soul out of the health care system.

We are not going to let them do it because they will never form the government.

[*Translation*]

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, my question is for the Minister of Finance. In the budget tabled on Monday, the minister decreed that a $975 fee will now be charged to every person who wishes to immigrate to Canada. This large amount of money is on top of the $500 processing fee all immigrants already have to pay.

Does the minister not realize that it makes no sense to ask prospective immigrants to pay $975, as this may represent up to a year's salary or more in their countries of origin?

[*English*]

Why do future immigrants have to pay for the government's deficit?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I do not think the hon. member is in any position to lecture the government on how it treats immigrants when members of his party in the PQ would not even extend democratic rights to immigrants in Quebec.

The Minister of Finance said on Monday that all Canadians, fishermen, farmers, public servants, business people, Canadian families had to sacrifice for nation building and to maintain Canada's prosperity. We have chosen to extend that invitation to those wishing to join the Canadian family and also to recover some of the costs for immigration settlement.

• (1455)

There are two options. Immigrants either share with us in the cost of settlement or we go the route of the United States of America where there is no settlement. Like the commercial says: "You can pay now or you can pay much more later". We prefer settlement because it is the best way of integrating immigrants. We also believe that the landing fee is worth the price to come to the best country in the world.

[*Translation*]

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, does the minister not realize that the message of openness Canada is trying to convey to future immigrants to this country is greatly compromised by this immigration tax, which can represent more than $3,000 for a family of four?

[*English*]

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, the member did not mention that the Minister of Finance has also instituted a loan program that would allow those individuals who believe that the $975 would be a hardship to apply for a loan.

Just like refugees since 1951 have been able to absorb a transportation loan, we believe that this fee will not cause hardship. We are prepared to implement the loan program.

With respect to other countries that ask immigrants to help shoulder the costs, Canada is in the middle of the spectrum where it ought to be.

Mr. David Chatters (Athabasca, Ref.): Mr. Speaker, my question is for the Minister of Natural Resources.

In the budget the government announced the elimination of the public utilities transfer tax rebate. Since 88 per cent of the $250 million tax grab hits Alberta, the elimination of this rebate is a discriminatory tax hike aimed directly at Albertans and will cost them at least $170 million.

As the senior federal minister representing Alberta, does the minister support this measure?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, this nation has a very large deficit and a very large debt. It was incumbent upon the government to deal with it in the fairest and most expeditious way possible. That is what we have done.

In this case we have followed the lead of a number of provincial governments, including the Government of Alberta. I believe the member for Lethbridge was a member of the Government of Alberta when it took away the equivalent tax exemption for the public utilities in that province.

Mr. David Chatters (Athabasca, Ref.): Mr. Speaker, in view of the discriminatory nature of this tax grab and the fact that the socialist power companies of Ontario and Quebec get away scot free, does the finance minister view this as fair and equitable?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I would simply refer the member to the statement by the premier of Alberta, in which he said that the federal government had to face up to its responsibilities. We did so and basically this is a good budget.

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, my question is for the President of the Treasury Board.

The infrastructure program has been very successful and encouraged all levels of government to work together. In my riding of Vancouver East the projects were enthusiastically received and put many people to work.

Could the Minister responsible for Infrastructure inform the House of the status of the programs following Monday's budget?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, the program on infrastructure is being extended from a three–year to a five–year period. This comes about as a result of two things: first, many municipalities with major projects have asked for extra construction time to be able to complete their projects and, second, the fiscal needs of the Minister of Finance as announced in the budget.

• (1500)

I am pleased to say that this coming construction season will be the biggest by far in terms of the infrastructure program. Sixty per cent of all the funds under the program will be allocated within the two years. The $2 billion from the federal level and the $6 billion in total will stay intact over that five–year period of time. It will lead to even more jobs than we had predicted: over 100,000.

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, my question is for the Prime Minister. I ask the Prime Minister for a clear answer about his government's intentions on a question he was asked yesterday in the House.

Will women 65 years of age and older lose their OAS because of their spouse's income as implied on page 58 of the budget plan? Yes or no.

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): No, Mr. Speaker.

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, the single most damaging element of this week's federal budget will be the devastating effect on the regional economy of the prairies, that is the elimination of the Crow rate including declining land values and the lack of investment for value added production.

Has the minister given any thought at all to the long term implications for the prairie economy of the decision to end the transport subsidy? If so, could he identify the sources in which he has so substantially misplaced his optimism?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.): Mr. Speaker, I note that a number of farmers in western Canada over the course of the last two days in commenting on the budget have noted that the change with respect to freight rates in western Canada has the potential to encourage diversification and value added production in the west.

I would point out that the hon. gentleman, coming from Saskatchewan, should perhaps know with respect to the $1.6 billion ex gratia capital payment that something in the order of $800 million or more of that total will find its way into the province of Saskatchewan because of that province's historical share of grain movement.

It does not include Saskatchewan's share of the $300 million adjustment fund. It does not include the capital gains tax advantage. It does not include the time cost of money that will accrue to the recipients of those payments and not to the government. It does not include the impact on efficiency in the transportation system.

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PRESENCE IN GALLERY

The Speaker: I draw the attention of hon. members to the presence in the gallery of Dr. Christos Lazaris, Governor of Lefkada in Greece.

* * *

POINTS OF ORDER

COMMENTS BY MINISTER

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, in response to a point of order raised by the hon. member for Skeena on February 9, the Minister of Indian Affairs and Northern Development stated that I held a meeting in my riding of Prince George—Bulkley Valley entitled "Let the people speak" and that natives were neither notified nor asked to sit on a panel at the meeting.

I held no such meeting in my riding. The minister has confused my riding with another and I would ask him to withdraw these remarks.

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I stand as a minister but first I stand as a member of Parliament who does not pick and choose which constituents I speak for.

One of the purposes of the House is for the views of those who have the least voice, who are the most oppressed and who need our help the most to come before Parliament. The silence of the Reform Party on aboriginal issues is so profound that it is deserving of respect.

There have been four critics; I have gone through four critics. They sit there like a Greek chorus.

Some hon. members: Order.

• (1505)

Mr. Speaker: In my view the point of order is a dispute as to facts. From time to time in the course of debate—and I am not saying this happened here—sometimes errors are made. I would hope hon. members would give each other enough latitude in debate so that if errors are made inadvertently they are accepted as such.

Mr. Irwin: Mr. Speaker, I accept the explanation of the hon. member but of the two critics one represents the Nishga—

Some hon. members: Order.

Mr. Speaker: I take it from the acceptance of the statement that perhaps an error was made. I am hopeful this will close the matter as of now. I would like the matter to be closed as of now.

This point of order is finished. If the member has another point of order I would like to hear it. Is this on the same point of order?

On a point of clarification, the hon. member for Kindersley—Lloydminster.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, for the benefit of all members of the House, would you clarify whether or not it is in order for a member to ask for a retraction and either the member retracts the statement or refuses to retract the statement and then, I suggest from my understanding of the standing orders, you, Mr. Speaker, make a decision on which member had the right position?

Mr. Speaker: Sometimes the Chair is faced with both positions being correct.

In this particular instance we had an hon. member saying that it was said that he held a meeting of some kind in his riding. I now have the minister involved who says he accepts that it was an error.

I accept the minister's statement and I consider the matter to be closed.

GUN CONTROL

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, I rise on a different point of order. I think you would agree that one very controversial issue facing the House at the moment is the gun control legislation.

Because of the imprecise nature of the discussion a lot of my constituents are wanting access to the legislation. I have been told that I am only allowed to get 10 copies. Could you indicate that this is not true and where my constituents can go to get more copies of the legislation?

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, as the spokesman for the Board of Internal Economy I informed the House last Friday that in addition to the copies being made available by the minister, the House had taken it upon itself to purchase an additional five copies per hon. member according to a decision taken last week unanimously by the Board of Internal Economy.

Mr. Speaker: This then is the response. I do not want to get into a debate about the matter but I will hear the hon. member for Kamloops.

Mr. Riis: Mr. Speaker, I would not want to get into a debate on the issue. I appreciate the decision that has been made. I am seeking confirmation though.

In the words of the member who just spoke, he said that it was a unanimous decision. Does that mean that all political parties represented on the Board of Internal Economy agreed to limit

the amounts of information given to our constituents on this critical issue?

• (1510)

Mr. Boudria: Members of the Board of Internal Economy are well known; those appointed to the board are well known. It was unanimous among members of the board as are all decisions of the board.

I believe the hon. member once sat on the board. I think he is familiar with the procedure.

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, just to add briefly to this information session in the House, last week when I raised the issue in the Chamber and the member speaking on behalf of the board responded to me, he gave information about additional copies being available should I wish to purchase them out of my office budget.

I inquired about the purchase price and discovered that although I was willing to purchase copies from my office there were not enough printed in any case for me to purchase them. Then I found that the price itself would be exorbitant to absorb within my budget.

I approached the printing office on Parliament Hill and asked how much it would cost to print that number of pages, double–sided, one staple in the top, and I was informed the cost was roughly one–third the cost of buying it from the government.

I can print through the House of Commons. I have a quote from the House printing unit to print enough copies to satisfy my demands in my constituency for close to $400. I am prepared to pay that amount if the House will allow me to ask printing to produce that copy.

The Speaker: With regard to the copies that are made available to members of Parliament, these copies are available at distribution. They are for legislative use, not for general distribution.

However the point the hon. member raises might be of interest to all hon. members in terms of the costs. I would ask the House spokesperson to the Board of Internal Economy if it might be possible to have that discussion raised at the next meeting of the Board of Internal Economy.

Mr. Boudria: Mr. Speaker, we could bring the issue to the attention of the board. If the member would correspond with the board, I am sure we would be pleased to receive his representation.

I have a point of order on another issue.

The Speaker: The point will be brought up at the next meeting of the Board of Internal Economy.

QUESTION PERIOD

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, earlier in question period today an hon. member asked a question of a minister in relation to the responsibility of the minister being responsible for a province.

I want to refer members to article 412 of Beauchesne's which reads as follows:

> A question may not be asked of a Minister in another capacity, such as being responsible for a province, or part of a province, or as spokesman for a racial or religious group.

That is a 1968 decision of the Speaker. I would submit the question was in fact out of order. I believe there were a number of cries across the way as to why the minister did not respond to a question that was clearly out of order.

The Speaker: It is also clear that any question put is directed to the government. As such, it is my understanding and has been the practice for years in the House that any minister of the crown can answer the question.

Although the question may be put to a specific minister, another minister who so desires can answer the question.

• (1515)

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, I would just note for the Chair's enlightenment that in this case the question was put to the Minister of Natural Resources. This matter is a natural resource matter, broadly speaking.

The Speaker: My colleagues, I repeat that it is the longstanding tradition of this house that any question that is put to the government per se can be answered by any minister on the government side. I would like to let that rest at this point.

ROUTINE PROCEEDINGS

[*Translation*]

INTERPARLIAMENTARY DELEGATION

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, pursuant to Standing Order 34, I have the honour to present to the House, in both official languages, the report of the Canadian section of the International Assembly of French–Speaking Parliamentarians, on the meeting of the assembly in Porto–Novo, Benin, on January 19 and 20, 1995.

* * *

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to table the 64th report of the Standing Committee on Procedure and House Affairs, which concerns the list of the associate members of the Standing Committee on Government Operations. With leave of the House, I intend to move for concurrence in this report later this day.

[*English*]

HUMAN RESOURCES DEVELOPMENT

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso, Lib.): Mr. Speaker, I have the honour to present the eighth report of the Standing Committee on Human Resources Development concerning Bill C–54 which was adopted with amendments.

GOVERNMENT OPERATIONS

Mr. John Harvard (Winnipeg St. James, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the report of the Standing Committee on Government Operations on Bill C–65, an act to reorganize and dissolve certain federal agencies, with amendments.

* * *

PARLIAMENT OF CANADA ACT

Mr. John Solomon (Regina—Lumsden, NDP) moved for leave to introduce Bill C–314, an act to amend the Parliament of Canada Act (other pension income).

He said: Mr. Speaker, the bill which I am introducing today is entitled an act to amend the Parliament of Canada Act (other pension income). It will require all pension or retiring allowance payments received by a member of Parliament that are paid from public funds to be deducted from the member's sessional allowance.

This bill will deal with another dimension of the issue of double dipping. Members of Parliament who receive publicly funded pensions while at the same time receiving a full member of Parliament salary will be affected. The bill asks that the House of Commons subtract pension income from a sitting MP's salary, thus preventing double dipping, or receiving two incomes from only one taxpayer. This bill would make all MPs declare all public pension income they receive while sitting as an elected member of Parliament.

Those members with publicly funded pensions for previous service in: provincial legislatures; municipal governments; the public service at the federal, provincial and municipal levels; or as former judges; members of the Canadian forces; former peace officers; crown corporation employees; and former employees of school boards, hospital boards or any other publicly funded organization will forgo receiving two incomes for doing one job as a member of Parliament.

Canadians believe it is unfair to the tax paying public that a member of Parliament receive a full salary while also receiving a public pension.

This bill treats municipal, provincial and federal government—

The Deputy Speaker: Order, please. A succinct explanation of the bill is all that members are allowed to have.

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

* * *

• (1520)

PROTECTION OF PERSONAL INFORMATION OBTAINED BY CERTAIN CORPORATIONS ACT

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.) moved for leave to introduce Bill C–315, an act to complement the present laws of Canada that protect the privacy of individuals with respect to personal information about themselves obtained by certain corporations.

He said: Mr. Speaker, I rise to table my first private member's bill, an act to complement the present laws of Canada that protect the privacy of individuals with respect to personal information about themselves obtained by certain corporations.

For several years Canadians have enjoyed the protection offered under the Privacy Act giving them better access to the federally held personal information. Yet in the private sector the use and abuse of personal information continues.

In 1994 the Quebec government passed a historic privacy law, Bill 68. It gave Quebecers greater control over their personal information. My private member's bill would complement, not compete with Quebec's bill by extending privacy protection to businesses under federal jurisdiction. For the rest of Canada, citizens for the first time would be given the control they need over their privately held personal information as we speed toward the creation of an information highway.

I look forward to discussing this bill with my fellow members of Parliament in the weeks and months to come.

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

* * *

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I move that the 64th report of the Standing Committee on Procedure and House Affairs presented to the House earlier this day be concurred in.

(Motion agreed to.)

HEALTH

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.) Mr. Speaker, I move:

That members of the Standing Committee on Health be authorized to travel to hold hearings and community visits in relation to the committee's study on mental health and the aboriginal peoples of Canada, in Kuujjuaq, Povungnituk, Rigolet, Northwest River, Eskasoni, Halifax, Rexton, Big Cove, Pikangikum, Winnipeg, Fort Alexander, Edmonton, Hobbema, Buffalo Lake, Vancouver and Gwa-Sala-Nakwaxda-x w, from March 19 to 24, 1995, and that the necessary staff do accompany the committee.

(Motion agreed to.)

* * *

[*Translation*]

PETITIONS

VOICE MAIL

Mrs. Pierrette Venne (Saint-Hubert, BQ): Mr. Speaker, I have a petition signed by my constituents, more precisely from the town of Saint-Hubert, that I would like to table today, in the hope of obtaining a favourable response.

The petitioners ask the government to abandon its plan to introduce voice mail for seniors. The petitioners point out that seniors are naturally more at a loss when faced with voice mail technology. That is why I hope that the government will take into consideration the requests of seniors, who have a right to receive services that are geared to their needs.

[*English*]

HUMAN RIGHTS

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, pursuant to Standing Order 36, it is my honour to present petitions today on behalf of my constituents asking that Parliament not pass Bill C-41 with section 718 as presently written, especially not to include the phrase of sexual orientation.

JUSTICE

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, I have a series of petitions. I will name them off by title only. The first petition supports the government to overturn the intoxication defence for sexual assault.

• (1525)

ASSISTED SUICIDE

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, the second petition is against assisted suicide or euthanasia.

BOVINE SOMATOTROPIN

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, this petition supports the ban of BST.

CHILD CARE

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, this petition is in support of child care expenses for stay at home mothers.

LAP DANCING

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, this petition is against lap dancing.

RIGHTS OF THE UNBORN

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, this petition is for the protection of the unborn child.

HUMAN RIGHTS

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, this final petition is against same sex relationships.

ADULT ENTERTAINMENT PARLOURS

Mrs. Karen Kraft Sloan (York—Simcoe, Lib.): Mr. Speaker, I have a petition from my constituents. They request that Parliament consider their plea to enact such amendments to the Criminal Code of Canada or such other legislation as necessary to permit local municipal councils to define their own community standards and thereby to permit municipal councils to pass bylaws to prohibit the establishment of adult entertainment parlours within their municipalities.

CANADIAN BROADCASTING CORPORATION

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, once again I table hundreds of petitions to the House of Commons concerning the CBC.

The petitioners state that the Canadian Broadcasting Corporation is Canada's national public broadcasting service and an agent of Her Majesty. The CBC is funded by the federal government with taxpayers' dollars. The CBC has applied to televise the proceedings of the Paul Bernardo trial. Therefore, the petitioners call upon Parliament to condemn the actions of the CBC and to request that in accordance with its responsibilities as a national broadcaster that the CBC withdraw its application to televise the Paul Bernardo trial.

HUMAN RIGHTS

Mr. George S. Rideout (Moncton, Lib.): Mr. Speaker, pursuant to Standing Order 36, I have the pleasure to present a petition on behalf of the Minister of Natural Resources dealing with discrimination based on sexual orientation.

CANADIAN WHEAT BOARD

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I have several petitions.

The first one is from the men and women of Saskatchewan. They wish to draw to the attention of the House of Commons that the Canadian Wheat Board is vitally important to the grain producers of western Canada. A large majority want to maintain the powers of the Canadian Wheat Board, despite a vocal minority. They therefore request that Parliament continue to give the Canadian Wheat Board monopoly powers in the marketing and export of wheat and barley.

ASSISTED SUICIDE

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, the second petition is also from various people in and around Saskatchewan. It asks that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

I concur with these petitioners.

GUN CONTROL

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, finally, these 44 or 45 petitions are all rather similar. They come from residents in southern Ontario, the Toronto area and areas surrounding Ottawa.

The petitioners ask that Parliament support laws which severely punish all violent criminals who use weapons in the commission of a crime. They support new Criminal Code firearms control provisions which recognize and protect the right of law–abiding citizens to own and use recreational firearms. Lastly they support legislation which will repeal and modify existing gun control laws which have not improved public safety, have not proven to be cost effective or are overly complex.

I concur with these petitioners.

[*Translation*]

VOICE MAIL

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, pursuant to Standing Order 36, it is my pleasure to table a petition signed by members of seniors' clubs or AFEAS and by other constituents from the municipalities of Saint–Ambroise–de–Kildare, Sainte–Julienne, Saint–Jacques, Saint–Jean–de–Matha, Maskinongé, Rawdon, Saint–Barthélemy, Saint–Édouard, Berthierville, Saint–Esprit–de–Montcalm, Saint–Thomas–de–Joliette and Lanoraie. The petitioners humbly pray and call upon Parliament to abandon its plan to introduce voice mail systems.

Given that seniors are naturally more at a loss when faced with voice mail technology and that it is unconscionable that they be forced to use this communication medium, as you can understand, Mr. Speaker, I unconditionally support the request contained in this petition, which it is my pleasure to table.

[*English*]

HUMAN RIGHTS

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Speaker, I am pleased to present this afternoon a number of petitions, pursuant to Standing Order 36.

The first has to do with the societal disapproval of same sex orientation. The petitioners pray and request that Parliament not amend the human rights code and not give approval to same sex relationships or of homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase of sexual orientation.

• (1530)

The next petition has to do with same sex relationships. The petitioners pray that Parliament not amend the Canadian human rights code.

ASSISTED SUICIDE

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Speaker, in this petition the petitioners pray that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the abetting or aiding of suicide or active or passive euthanasia.

ABORTION

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Speaker, in another petition the petitioners pray that Parliament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

GUN CONTROL

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Speaker, this petition relates to the gun control issue.

The petitioners pray and call upon Parliament to refrain from making further changes to existing firearm control legislation and direct the judicial system to enforce existing penalties more stringently in the effort to deliver effective crime deterrents.

I support these petitions.

HUMAN RIGHTS

Mr. Paul Steckle (Huron—Bruce, Lib.): Mr. Speaker, I have one further petition in which the petitioners call upon Parliament to amend the Canadian Human Rights Act to protect individuals from discrimination based on sexual orientation.

FEMALE CIRCUMCISION

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, I am pleased to rise to present five petitions from the Vancouver area. The first one signed by 288 members of the community deals with the practice of female circumcision.

The petitioners feel that education is a priority for those who practice female circumcision and for those unaware of its prevalence. They therefore request that the Criminal Code of Canada be amended to penalize those involved in the practice.

[*Translation*]

EUTHANASIA

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, the second petition, signed by 54 people, is on the subject of euthanasia. The petitioners say that the majority of Canadians respect the law and the sanctity of human life and believe that doctors should try to save lives, not end them.

The petitioners also ask Parliament to ensure that the provisions in the Criminal Code of Canada prohibiting assisted suicide be rigorously upheld, that Parliament not amend the current laws and that assisted suicide and active or passive euthanasia remain illegal.

[*English*]

HUMAN RIGHTS

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, the third fourth and final petitions, containing 72, 25, and 462 signatures respectively, deal with the issue of sexual orientation.

They state that one of the core values of Canadian society is the strong belief in equality, that equality for all Canadians includes freedom from hatred, harassment and discrimination, that all Canadians regardless of race, religion, gender or sexual orientation must be treated equitably under the same circumstances and that great misunderstandings still exist in Canada resulting in discrimination.

The final petition also requests that Parliament amend the Canadian Human Rights Act to include sexual orientation as a basis for protection against discrimination.

JUSTICE

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, I rise in the House again today to present petition No. 18. This course of action is undertaken on behalf of constituents who wish to halt the early release from prison of Robert Paul Thompson.

The petitioners I represent are concerned about making our streets safer for our citizens and they are opposed to the current practice of early release of violent offenders prior to serving the full extent of their sentences.

The petitioners pray that our streets will be made safer for law–abiding citizens and the families of the victims of convicted murders.

I have another petition to present. I am honoured to do this on behalf of Albertans. I understand that there are several petitions being presented that equal approximately 64,000 names.

These petitioners pray that the Criminal Code of Canada and the Young Offenders Act of 1992 be amended to allow for tougher sentences to deter people from committing crimes and tough enough to provide real justice.

I am pleased to state that I endorse the contents of this petition.

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I am honoured to present a petition on behalf of 2,359 Albertans. I understand that there are several petitions being presented that equal approximately 64,000 names.

These petitioners pray that the Criminal Code of Canada and the Young Offenders Act of 1992 be amended to allow for tougher sentences to deter people from committing crimes and tough enough to provide real justice.

I am pleased to state that I endorse the contents of this petition.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, pursuant to Standing Order 36, I am presenting a petition signed by approximately 3,400 people, mostly from the riding of Elk Island.

I understand that this is part of a larger petition which will total some 64,000 names.

• (1535)

The petitioners express a serious concern about and call for changes to the Criminal Code and the Young Offenders Act to make them serious enough to deter young people from committing crimes and tough enough to provide for real justice.

RIGHTS OF THE UNBORN

Mr. Tom Wappel (Scarborough West, Lib.): Mr. Speaker, I have three petitions this afternoon. The first one prays that Parliament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

It is signed by approximately 150 people in the Toronto area.

ASSISTED SUICIDE

Mr. Tom Wappel (Scarborough West, Lib.): Mr. Speaker, the next petition is signed by constituents of mine in Scarborough West and environs.

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

HUMAN RIGHTS

Mr. Tom Wappel (Scarborough West, Lib.): Mr. Speaker, I have another petition from constituents of mine praying that Parliament not amend the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way that would tend to indicate societal approval of same sex relationships or of

homosexuality, including amending the Canadian Human Rights Act to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

I support all three petitions.

Mr. Pat O'Brien (London—Middlesex, Lib.): Mr. Speaker, it is my duty as a member of Parliament to present three petitions today which oppose including the phrase sexual orientation in various pieces of federal legislation.

MINING

Mr. Robert D. Nault (Kenora—Rainy River, Lib.): Mr. Speaker, I have the pleasure of presenting 13 petitions on seven different topics all bearing signatures of my constituents and duly certified by the clerk of petitions.

I present three petitions with over 700 signatures requesting that the government take action that will keep mining in Canada by increasing employment in this sector, promoting exploration and rebuilding mineral reserves.

ASSISTED SUICIDE

Mr. Robert D. Nault (Kenora—Rainy River, Lib.): Mr. Speaker, I present two petitions signed by 100 people praying that Parliament continue to reject euthanasia and physical assisted suicide and that Parliament consider expanding palliative care for dying persons.

RIGHTS OF GRANDPARENTS

Mr. Robert D. Nault (Kenora—Rainy River, Lib.): Mr. Speaker, I have two petitions signed by 66 people in my riding requesting that in no case may a father or mother without serious cause place obstacles between the child and grandparents and further that grandparents with access to a child be given the right to acquire information as to the health, education and welfare of the child.

GUN CONTROL

Mr. Robert D. Nault (Kenora—Rainy River, Lib.): Mr. Speaker, I also present a petition with 346 signatures urging Parliament to enact legislation that addresses crime control and not firearm control.

RIGHTS OF THE UNBORN

Mr. Robert D. Nault (Kenora—Rainy River, Lib.): Mr. Speaker, I have a single petition with 35 signatures requesting protection for the unborn child.

HUMAN RIGHTS

Mr. Robert D. Nault (Kenora—Rainy River, Lib.): Mr. Speaker, I have three petitions with 332 signatures urging Parliament not to amend the Human Rights Act in any way that would indicate societal approval of same sex relationships, including any amendment using the phrase sexual orientation as prohibited grounds of discrimination.

OFFICIAL LANGUAGES

Mr. Robert D. Nault (Kenora—Rainy River, Lib.): Mr. Speaker, I present a petition signed by 37 people in my riding asking Parliament to consider a referendum on accepting or rejecting two official languages.

I appreciate the opportunity to present the views of my riding through these petitions.

JUSTICE

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, I have two petitions today, one signed by 260 people. This is part of a 64,000 person petition.

The petitioners are calling for changes to the Young Offenders Act and want an act serious enough to deter young people from committing crimes. They feel the Young Offenders Act is not meeting the objectives set forth in a satisfactory manner.

GUN CONTROL

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, my second petition is the second for this week on gun control now totalling over 5,000 names.

The petitioners express their concern that the control of law-abiding citizens and responsible gun owners is more than enough to ensure public safety and that the current and proposed laws criminalizing certain firearm activities are not necessary.

The petitioners humbly pray and request that Parliament support laws that will severely punish all violent criminals who use weapons in the commission of crimes and that Parliament support legislation that will repeal and modify existing gun control laws which have not improved public safety or have not proven to be cost effective.

INCOME TAX ACT

Mr. John Solomon (Regina—Lumsden, NDP): Mr. Speaker, I have two petitions to present today pursuant to Standing Order 36.

I have one petition signed by approximately 400 members of the United Steel Workers of America, Local 5890 working at IPSCO Inc. in my constituency. This petition pertains to the Canadian Income Tax Act which states that a pension plan member cannot accrue more than one year of pensionable service in a year, thereby eliminating any way to make up pensionable service time accrued.

• (1540)

This petition calls upon Parliament to urge the government to change the appropriate regulations to allow for pensionable service to be accrued over 1,800 hours based on straight time hours worked.

It is my pleasure to present that petition to the House.

MINING

Mr. John Solomon (Regina—Lumsden, NDP): Mr. Speaker, the final petition I wish to present is on behalf of a number of citizens in mining communities in western Canada who call upon Parliament to take action to create growth in employment in the mining sector, to promote exploration, to rebuild Canada's mineral reserves, to sustain mining communities and to keep mining in Canada.

JUSTICE

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, I am pleased to present three petitions today, the first one being part of the 64,000 petitioners, representing individuals from my riding of Wild Rose who ask that Parliament recognize and address the concerns of the Young Offenders Act to make it serious enough to deter young offenders from committing crimes and tough enough to provide real justice.

I have a petition with a total of 200 signatures from the areas of my riding of Crossfield, Cremona and Cochrane. The petitioners identify seven major points regarding the entire judicial system which they believe need a complete overhaul. They ask for legislation to re–evaluate and amend the Canadian justice system providing protection to and giving precedence to victim rights rather than criminal rights.

CRIMINAL CODE

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, I have a petition containing 5,363 names submitted from central Alberta, mostly from Edmonton. The petitioners respectfully request that our elected representatives amend the Criminal Code using their power and henceforth prohibit any type of performance, including those in live peep shows, which in any form or manner exposes to the view of any member of the public genitals, buttocks or female breasts.

I concur with and support all of these petitions.

The Deputy Speaker: Unfortunately the time has expired for petitions. Most of the members standing will know why I am particularly sorry they cannot present their petitions today. However, the Chair must pass on to motions.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, question No. 129 will be answered today.

[*Text*]

Question No. 129—**Mr. Mitchell:**

With a minimum security prison already located in the riding of Parry Sound—Muskoka and a medium security prison to be operational by 1997, what is being done to ensure the proper assignment of classification to prisoners who will be located at these prison facilities?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): In so far as the Correctional Service of Canada is concerned, the answer is as follows:

All federal inmates entering the Correctional Service of Canada's jurisdiction, including those coming from the courts as well as those who have violated a conditional release and whose release has been suspended, are admitted to a maximum security institution for assessment. In Ontario, all new federal inmates are admitted to the assessment unit at Millhaven maximum security institution.

All new inmates undergo a comprehensive assessment to identify those issues which have contributed to criminal behaviour and which must be addressed. Violent offenders receive psychological assessments and sexual offenders are offered a comprehensive assessment aimed at establishing appropriate treatment interventions and level of risk to public safety. The results of these assessments, and case specific information (such as documents from the police, courts, family, etc.) are examined and analysed to determine the level of security required for the management of the case. As well, a correctional plan for the inmate is produced which becomes the blueprint for the sentence, against which progress toward correctional goals are measured. At the end of the process, which may take up to eight weeks, a placement decision is made which reflects both the security and program needs of the offender.

Inmates are assigned a minimum, medium or maximum security classification. Part of the overall assessment is the custody rating scale, a tool which was developed to provide a statistically based placement opinion. The elements included in this tool are considered to be effective predictors of behaviour. On the basis of the entire assessment, including the custody rating scale, a placement decision is made by assessment staff, and the inmate is sent to a receiving institution classified at his/her level of security.

Three critical factors are taken into consideration in determining the security level of the inmate; namely, institutional adjustment, escape risk, and risk to public safety. Each factor is given a rating of low, moderate or high, and each is significant to the overall assessment of the inmate.

Once an inmate has been placed at an institution, the inmate's security classification is reviewed at least once a year. Any additional information which was not considered at the previous placement may result in a change in the classification level. New factors which may be considered are the inmate's current attitude, behaviour, motivation and progress in his/her treatment programs. In preparation for any critical decisions concerning transfer, temporary absence, or work release, CSC

policy requires that the inmate's classification be reviewed and confirmed or amended. Case managers must use their professional judgment, in conjunction with available assessment tools, in reaching a final conclusion as to the appropriate security classification.

In addition to the individual inmate's classification, institutions are also classified by security level. Beaver Creek Institution, in Parry Sound—Muskoka, is classified as a minimum security prison. The new institution, to be located on the Beaver Creek reserve near Gravenhurst, Ontario, is expected to be completed in 1997, and will be classified as a medium security prison.

The rationale for placement of all federal inmates is found in section 28.i.(e) of the Corrections and Conditional Release Act, which states that the Correctional Service of Canada shall take all reasonable steps to ensure that the penitentiary in which the person is confined is one that provides the least restrictive environment for that person, taking into account: (a) the degree and kind of custody necessary for (i) the safety of the public, (ii) the safety of that person and other persons in the penitentiary, and (iii) the security of the penitentiary; (b) accessibility to: (i) the person's home community and family, (ii) a compatible cultural environment, and (iii) a compatible linguistic environment; (c) the availability of appropriate programs and services, and the person's willingness to participate in those programs.

When the new institution is opened, only those inmates who have undergone careful assessment and meet the criteria for placement at the medium security level will be transferred there.

Public safety is the paramount factor in any decision relating to the management of inmate cases.

[*English*]

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

Mr. Milliken: I ask, Mr. Speaker, that the remaining questions be allowed to stand.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I would ask that the notice of motion for the production of papers be allowed to stand.

The Deputy Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF MINISTER OF FINANCE

The House resumed from February 28 consideration of the motion that this House approves in general the budgetary policy of the government; the amendment, and the amendment to the amendment.

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, before I begin, Reform members will be splitting their time today.

I cannot say I am honoured but I feel responsible to join in this budget debate and to speak against both the budget and the amendment on the floor. I remind the House that it was only one year ago that we in the Reform caucus were saying several things about a budget which had just been tabled.

Those things were that the targets contained in the budget—the target of a 3 per cent deficit to GDP—were not good enough. Even if those targets were to be achieved they would add billions of dollars in cuts to deal with the accumulated interest payments that would be realized as a consequence of adding to our national debt. In so doing, we were assured time and time again that the targets and the measures laid out in that budget were good enough and that they could be achieved with no additional budgetary action whatsoever.

What we have this week is a budget with spending cuts of $12 billion and tax increases of $1.5 billion, all in a period of exceptional economic growth, even above what was foreseen in the previous budget.

• (1545)

It is in order to achieve the very targets that we started out with, the very targets that are inadequate and that we were supposedly going to be able to achieve with no cuts whatsoever. Why? Because on this particular budget path we have added interest payments of $12 billion.

The interest costs on the government's debt will rise in this same period from $38 billion to $50 billion. We are cutting $12 billion in spending now to achieve what? It is to achieve a stable debt–GDP ratio at the top of an economic cycle, so that it will do nothing but rise when we face the inevitable downturn. It is called an achievement. It is the government's belief that this is its ticket for re–election.

This reminds me so much of what the Progressive Conservatives did in 1988. They reached exactly the same point, except at a much lower level of debt and then said all was well.

What do we say now? We say that this is not adequate. We say that this path will continue to add interest charges that will come out of program spending. What are we told? We are told that

there will be no more cuts to achieve our targets, especially not in the area of social programs. We will achieve these targets nevertheless.

The finance minister knows this is not true. There is such a gap between what the Liberal government says and what it does that it is just astounding. It explains why the finance minister must on a daily basis so grossly exaggerate Reform policy in order to cover his real agenda.

In fact my Bloc colleagues in question period today were calling his statements demagoguery. That is the only way to describe his desperate defence of the course he is leading us down.

Some of the cuts in the budget should have been made a long time ago and I agree with them. However it is interesting and necessary to compare them against what the Liberal government said versus what it meant. I am not talking historically but just in recent memory.

As recently as a year and a half ago the Liberal Party said it was against free trade and it would pull out of the free trade agreement. What it meant was it would strengthen free trade, continue those agreements and expand them on a scale that was not foreseen before.

When the Liberal Party said it was committed to keeping Petro–Canada and would not privatize it, what it really meant was it would finish the job of privatization.

When the Liberal Party said it would guarantee funding for the CBC what it meant was it would guarantee that its funding would be continually cut.

The Liberal Party said a Liberal government would never cut the civil service, but what have we got here? Not only do we have retro–cuts, but what the Liberal government really meant was that it would cut the civil service at record levels and do it retroactively by reopening collective agreements.

The Liberal Party said a Liberal government would never cut transfer payments to the provinces. What it will not transfer to the provinces is additional authority or additional tax points, but it will cut the transfer payments to the provinces at a record level.

The Liberal government said it would never raise the tax burden on the middle class. That apparently did not include gas taxes which are paid by ordinary citizens of every class. It did not include limiting RRSP contributions which hit certainly at members of the upper middle class which I would distinguish from the rich. It would raise utility taxes on ordinary consumers, providing they live in Alberta and a few other select areas of the country. It is now prepared to raise tobacco taxes which fall generally on those with lower than average incomes. The Liberal Party said it would never raise taxes on the middle class but what it really meant was most of the tax increases will be on the middle class.

• (1550)

The Prime Minister said he would never allow a society where we see beggars in the streets. What he really meant was he would never walk to work but instead drive by in his limousine so he never sees the beggars that we all meet every single day that we come here.

The Liberal Party now says that it will never cut health care, unemployment insurance, old age security, the Canada pension plan, child care or any of those plans. It says it will never cut them like the Reform Party intends to cut them. What the Liberal government really means is that it is not going to tell Canadians what those cuts are until they come. It is not going to bring them in them until the debt and the interest has drained off every red cent necessary to have a program of any kind.

What the Liberal government also said was that generally it will never cut the social security of Canadians. What do the Liberals really mean when they say all these things about compassion and sacrifice? They mean they will never take MPs off their gold–plated pension plan and you will never see MPs begging in the streets.

The leader of the Reform Party proposed last week a plan for a balanced budget with social programs that are clearly smaller and more decentralized than we have today. These are not popular measures and we know that. Those programs are based on clear objectives and values with dollars that are available today.

As bad as the Minister of Finance will paint this, these programs are going to look very good by the time we find out what the government really plans to do with social programs.

The choice is very simple. Canadians will have accept the tough medicine necessary to get us back to fiscal to health. The alternative is to buy the same snake oil from the same snake oil salesman at a price that is going to go up and up and up.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, as I listened to the member speak all I heard were negatives and misinformation.

The member somehow painted the reduction of the civil service by 45,000 jobs as a negative when in fact the government is refocusing through program review the downsizing. There will be surplus staff. The member clearly cannot be opposed to eliminating surplus staff in a compassionate way.

The member complains about the transfers to the provinces, yet in the Reform alternative budget the amount of hit to seniors, to the disadvantaged, to those who need health care, is drastically heavier. He paints the RRSP alternatives as if something is wrong. The RRSP limits in fact will be increasing to $15,500 from the current year of $13,500.

An hon. member: You'll flip–flop on that one too.

Mr. Szabo: Not flip–flop. The member says the Reform Party has all the answers.

If the member feels that the budget presented on February 27 was a draconian budget, how does he square the fact that instead of cutting $7 billion from the transfers to provinces Reform was going to cut some $15 billion from the social programs of Canadians?

• (1555)

Mr. Harper (Calgary West): Mr. Speaker, the member raises the issue of cuts to the civil service, asking how I can condemn a program that reduces the civil service and tries to do so in a compassionate manner.

Reformers would not try and do that. In fact, Reformers told the civil servants in this city in the last election that these kinds of cuts would be necessary. We told them we would try to do it in a compassionate manner and we lost that election.

The Liberal Party candidates who won told civil servants precisely the opposite. They guaranteed collective agreements they are now breaking. They guaranteed jobs they are now removing. They guaranteed wages they are now taking away.

Now Liberals tell us that will not cut social programs by $15 billion. By the time the Liberal government is done, the cuts proposed by the Reform Party in last week's alternative budget will look very minor and the programs we proposed will look very good.

I am not surprised at anything that comes from people who will run on one thing and a year and a half later say the opposite on every single area of public policy.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the hon. member in his speech referred to snake oil. What he neglected to mention was the snake oil in the budget that the hon. member's party presented last week.

The last questioner, my distinguished colleague from Mississauga South, did ask a question. Of course, the hon. member evaded the answer, as every member of his party has when pressed on this issue. What proposals did the member put forward in the budget last week to gut Canada's social programs? Tell Canadians about those. In not one speech in the House have we have heard any clear reference to those guttings of social programs proposed in the Reform budget—

The Deputy Speaker: The member for Calgary West has the same amount of time, about a minute.

Mr. Harper (Calgary West): Mr. Speaker, the budget proposals that the Reform Party prepared last week and tabled were done publicly and in a manner that is open and available, unlike the plans being made by the government. Any Reform member's office can be contacted by any Canadian and the information will be provided.

There were $15 billion in cuts to social programs, leaving a social program envelope of $65 billion. That $65 billion will not be available when we learn how the government is really going to eliminate a deficit of $25 billion.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, the budget process has been most fascinating. For the first time in the history of Canada the people have become involved in the process. We had a member presently in the House say yesterday that Reformers were trying to create a tax revolt.

I for one—I can speak on behalf of all my colleagues—was invited to these events, as were many Liberal members who chose not to turn up because they were afraid. It is really interesting that in a small city in my constituency, the town of Golden with 2,371 households, four women I would like to name here today in one week got 2,500 signatures from those 2,371 households: Gert Shewchuk, Stephanie Braul, Cheryl Kofluk and Merle McKnight.

These are common, ordinary Canadian women who are concerned about their country. This was the kind of activity that was going on. This was the kind of involvement that Canadians were demonstrating in this process.

However, when we come to the budget where the government in its own cynical way—although over a three–year period—is taking over $3.5 billion out of Canadian taxpayers' pockets without raising individual income tax rates, it would appear as though the hard work of these women and many others who were involved in the tax protest was successful. When I woke up on the morning of the day following the budget I turned on the radio and was confronted with a song that might be familiar to some members in the House. It goes:

> Bye, bye Miss American pie
> Drove my Chevy to the levee but the levee was dry
> and good old boys were drinking whiskey and rye
> saying this will be the day that I die
> This will be the day that I die.

• (1600)

That was the way I felt after I had an opportunity to take a look at the budget.

This is a budget of despair. This is a budget that is not straightforward by any form of measurement. This is a budget that is to have public debt charges increase from $38 billion to $51 billion.

Government members have the audacity to say that they are to protect social program when the largest single increase at 17.3 per cent is spending on funding the public debt. How can they say they are to protect social programs when they are increasing the spending on public debt by 17.3 per cent?

I took a look at their documents. They frequently say that they do not know what the facts are. I have the budget speech of the minister and I read on page 32 that personal income tax is to go up from $51.1 billion to $56.8 billion, to $60.4 billion, to $64.5 billion in a four–year period. Corporate tax is to go up from $9.8 billion to $13 billion, to $15.5 billion, to $16.3 billion. As a matter of fact gross budgetary revenues in the same period are to increase from $116 billion to $137.4 billion. These are numbers provided by the finance minister.

We do not have a revenue problem; we have an expenditure problem. It is so obvious it is just absolutely amazing.

Another interesting point on the expenditure side is that my colleague just referred to the fact that 45,000 civil servants are to be laid off over the next three–year period. He very clearly pointed out that the government was not elected to cut 45,000 civil servants. It was elected on the promise that civil servant jobs were to remain. That promise has been broken.

Furthermore business has also taken a hit in the budget. Business grants have dropped from $3.7 billion down to $1.9 billion. While the premiums remain constant, unemployment insurance payouts are to decrease from $17.6 billion to $15.3 billion, to $14.3 billion, to $13.7 billion.

There is more and more of a take because they are not to decrease the amount they are taking from the unemployed. They are to decrease the payouts and put $5 billion into a slush fund for themselves. There we have it: we have expenditure cuts and the inevitable social program cuts.

Why do I say this is a budget of despair? In spite of all the harsh medicine and in spite of the fact it will be reducing the total amount we are going into the hole by $10 billion, the government has permitted annual interest charges in the same period of time to increase by $10 billion.

In other words we are treading water. Rather than swimming and getting somewhere, we are treading water. I think of another verse of the song:

> It's been 10 years
> I've been on my own
> and moss grows fat
> on a rolling stone.

It is a song of despair; it is a budget of despair.

We have to ask the following question. If we look at the cuts that have occurred to this point, where else is there to cut except in the social envelope in a responsible manner so that the people at the bottom end of the scale are protected? Where else is there to cut? There is no place else. In that respect the budget is not only a budget of despair. It is a budget of dishonesty.

• (1605)

We are taking a look at the fact that it is hidden within these documents. The downloading is where it is hidden. It is hidden because they are to combine the Canada Health Act with the Canada assistance plan and post–secondary education funding. They are to rename all those things the Canada social transfer and then they are to reduce it by $4.5 billion.

When it is transferred to the provinces and the $4.5 billion is removed we have a choice as Canadians. Either we downgrade health care, post–secondary education and the amount of funding for the Canada assistance plan, or we increase taxes at the provincial level. We cannot have it both ways. It is just that simple.

I asked myself, in listening to the budget debate, what was the problem here. Is there some difficulty in terms of understanding common ordinary English? I asked a question of the parliamentary secretary last night. His response was rather interesting. My question was exactly what I have been developing here. If we are increasing the amount we are spending from $38 billion to $51 billion in our debt service charge, where is the money to come from? That is a very valid question.

When I said that I do not see how the government could possibly do the job of continuing to fund social programs—and it keeps on saying that it is—his response as reported at page 10181 of *Hansard* was:

> The Government of Canada will be able to keep its commitments and pay pensions to seniors.
>
> The difference is that the Reform Party sees everything black; it is the end of the world.

No, it is just a little despair at this point.

> The member acknowledged that we have made real cuts. We have a balanced budget in terms of real cuts and it will encourage economic growth.

When the documents say that we are to be overspending $32.7 billion, how in the world could the parliamentary secretary say: "We have a balanced budget?" Obviously he does not understand ordinary English. He said: "The deficit will disappear". By magic? He also said: "The deficit will be reduced by creating jobs". That was a promise in the last election. Obviously it is another promise they believe they can drop.

I close by quoting in despair:

> I still remembered how I cried
> When I read about his widowed bride
> But something touched me deep inside
> The day the music died.

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, Reform Party members took a big risk in terms of the strategy they were to use with regard to the budget. They went out and incited Canadians on the issue of no new taxes and cutting spending. That is exactly what the finance minister did with $7

of cuts to $1 of increases, and those revenue increases included no personal income tax increases.

Reformers presented a budget to the House which said that we had to keep the poor poor and make the middle class poor. They said to Canadians: "Just stop eating for a year and use that money to pay down your mortgage. Then everything will be fine". That is like saying the operation was a success but the patient died.

The question I have for the member concerns the Canadian social transfer. That social transfer is a combination of the CAP and the EPF. The member would well know that as there is growth in the economy and as the value of tax points goes up, the amount of cash transferred to the provinces will go down. In some cases the amount of cash will be zero. That being the case, what leverage would the federal government have over the provinces in terms of maintaining standards?

• (1610)

Would the member not agree that consolidating those transfer programs under one umbrella allows the federal government continued leverage to ensure that the national standards of health care, environment and others are maintained in Canada, the best country in the world?

Mr. Abbott: Mr. Speaker, the rhetoric of my hon. colleague is reminiscent of what we ran into during the last election: the only politicians of virtue in Canada are Liberal federal politicians; the politicians in provinces are terrible people as well as anybody who is not a Liberal.

What is this? I do not understand. Perhaps it is just a case that members of that party have been in power for so long, have been building up the debt for so long, and have had the reins of government for so long that as we slide off the edge it has gone to their heads.

To answer the member very simply, if the government is not decreasing the amount of money available to social programs, is decreasing the cash transfers by $4.5 billion, and is not transferring the tax points to the provinces, how can the government possibly try to convince Canadians that it is not simply shifting the burden and that it is able to keep its false promise of being able to look after social programs?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, for the last half hour or so I listened to presentations by two members of the Reform Party. I am reminded of a movie I saw recently called "The Madness of King George". We have heard a version of paranoid economics where there is a hobgoblin behind every bush and a shadow behind every budget. It reminds me very much of King George who suffered from a similar malady. He would find himself very much at home in the present day Reform caucus.

There is an interesting scene in that movie that I think is worth commenting on. James Fox, leader of the opposition at that time, was seen strolling along the lawns of Westminster with Mr. Pitt, who at the time was prime minister. He was a somewhat straight–laced and dour gentleman according to history; that certainly was how he was portrayed in the movie. As they were walking along, James Fox said to the prime minister: "Mr. Pitt, is there anything you admire at all?" Mr. Pitt said: "A balance sheet, Mr. Fox. I like a good balance sheet".

Mr. Pitt would be very happy with our Minister of Finance today because he has come up with a good balance sheet. He has been able to come up with a balance sheet to escape the malady and the problems faced by governments over the past decade that have promised much and delivered little. He has come up with a balance sheet that has now been acknowledged and recognized by financial markets both here and internationally as meeting the test of restoring integrity in our fiscal system.

A few short days ago the leader of the Reform Party, the chicken little of Canadian politics, screamed that the sky was going to fall and that the clouds were going to roll in? All of a sudden comes the budget and interest rates begin to fall, the dollar stabilizes and financial markets say that the government has met the test.

Not to be daunted by that illusion, he must now find himself a new form of vapour to chase after. He is now pretending there is "a hidden agenda". The only hidden agenda is the one we recently read about in the book about the Reform Party that says the hidden agenda of the hon. member for Calgary Southwest is to rule the world.

The message of the budget is to get beyond the immediate and the superficial, as we have heard this afternoon. We must deal with the specifics and put aside some of the grand statements of moral indignation we hear coming from certain provincial premiers such as: "woe is me, the world is gone" and get down to what the government is attempting to do.

• (1615)

It has provided in this budget the first major step in restructuring the economy of this country to provide a way of ensuring a fiscal, economic and monetary system that prepares us and gives us the kind of foundation we need upon which we can then begin to build a new social reform, a new system of cultural programs to provide certainty and stability to Canada, on which we can then begin to build the new Canada and the new economy. That is what this budget is all about.

It is very important to emphasize that modernization, re–engineering and restructuring are not the object of one day or one week. They must start and must continue. It is going to be work that I certainly believe will engage members of Parliament from

our side of the House and I hope it will engage members of Parliament from all sides of the House.

This is what Canadians want and demand. They do not want the kind of voodoo analysis we are constantly hearing. They simply want people to quit playing with black magic and get down to reality and deal with the real issues such as how to maintain a balance of programs and begin to respond to the transformations in the workplace and in the global economy, how we preserve integrity economically and socially and the sovereignty in order to make our own decisions.

Clearly the statement has been made. As much as we have the fulmination of the Reform Party wishing it were otherwise, wishing and hoping that the sky had fallen as its leader predicted, hoping that there would be a cataclysm in Canada, that catastrophe would be visited upon us, as much as it has been urging and praying that the sky would fall, it has not.

What is happening is that Canadians and people internationally have seen that this government is the best economic manager this country has had in a long time.

That is why every Canadian has a crucial stake in the budget we brought forward. The government moved decisively to restore our nation's integrity and is now beginning to put us in a position where we can do the real work of rebuilding we were elected to do. We had to get the economics right and the Minister of Finance has accomplished that.

[*Translation*]

We want to maintain the social safety net offered by programs like old age pension, family allowance and welfare. It is absolutely essential that our financial house be put in order. We will take any action necessary to protect social programs today and in the future.

[*English*]

I want to illustrate to members in the House and others listening exactly how that budget has been the catalyst to begin that reformation, that new resolution of programs and developments in our country.

In the budget we announced that we were going to fundamentally reorganize the funding of programs in the very large Department of Human Resources Development to bring together, as we heard during the course of the committee hearings, a new human resources investment fund so that we could consolidate a number of existing programs that may have had value at one time but no longer had the same relevance or the same impact. We wanted to bring them together into a common pool so we could begin to organize a new social reform package.

When hon. members opposite ask where the social reform is, it is happening now. The member from Calgary when she made her presentation on behalf of her party said: "I apologize. It was not all that well thought out because I did not have much time".

We have a plan. The human resource investment fund is the beginning of that because it now gives us the flexibility to put in place a good child care program in this country, to deal with the question of literacy with our partners in the provinces, to begin working on new approaches to help people get re–employed, to sit down with the private sector as we are doing in something like 16 human resource councils in things like electronics, tourism, horticulture, logistics, car repair and auto parts.

We are now putting in place a partnership with business and labour in each of these sectors to start new training for young people. Since the summer close to 10,000 young people have been enrolled in these new internship programs in which we are sharing our resources with the private sector to begin providing new job opportunities and training opportunities.

• (1620)

It is not the old jurisdictional wars between federal and provincial governments. We are getting away from the old turf disputes. We are now sitting down with the private sector and community sector, the women's resource centres, the YWCA, the local communities and asking how to become partners to get people trained.

I heard from one of the Reform members "too little too late". That is coming from a party which said it was going to take the unemployment insurance fund and rip up all programs for women with children in the unemployment insurance program. He says we are too little too late. Talk about taking a dagger to the heart of the vampire. The vampire is taking the dagger to the heart of the Canadian people. That is what is going on.

Those kind of partnerships are now going to be facilitated by this kind of reorganization. The single drawer we have now put in place, which we promised to do when I stood in this House for social reform and said the first major initiative is to put a single drawer of financing in this federal department so we could being to work out these new partnerships. It has happened in this budget and social reform is well under way.

Let me talk for a minute about the Canada social transfer. There have been a lot of balloons and a lot of assumptions made about what is being proposed. Basically what we are proposing in this particular area is to ensure the continuation of an effective national approach for the funding and support of social initiatives by developing a new set of partnerships with the provinces.

We are proposing to do exactly what every single province has been asking us to do, to ensure they could have the flexibility to provide innovation and new approaches, to allow the provinces to become incubators of good social reform. That kind of freedom has been on every single premier's list until we do it.

Then they say: "Oh, God, the devil made us do it. Please do not do it to us".

Do they want the responsibility or not? We have given them the responsibility and for those who have said for some reason or other that this means there is going to be a withdrawal of the federal government from responsibilities, that is not the case.

Every member of the House knows that the present program, the existing program, is the one that creates the problems. Because it was designed 30 years ago it really means that in most cases there is no conditionality. There are no common principles. There are no standards. We simply write the cheques and they make the decisions.

As a result we have created in many cases large numbers of bureaucracies that have chewed up the money not in delivering directly to people but simply providing services for themselves.

I am most surprised by the objection of Bloc Quebecois on this matter because it is the one party which I thought would endorse fully a new system of federalism that would allow provinces to make more decisions for themselves.

[*Translation*]

The budget lays the foundations of a new federalism, a new partnership with the provinces and communities. At present, we have a government organization that has remained unchanged since the 1930s and 1940s; it is too centralized, too heavy and far from meeting the needs of the people.

The provinces, and Quebec in particular, have been asking that changes be made for quite some time. What the new Canadian social transfer will give the provinces is flexibility and the power to make decisions, less paperwork, yet better results.

[*English*]

What we are basically trying to do is ensure that we would still maintain very clearly the commitments under the Canada Health Act. We still maintain very clearly in the budget papers the responsibility to maintain full mobility. We will sit down with the provinces over the next year to work out a new framework in which we can provide more coherence to our programs, provide more co–ordination of what they are doing among themselves and with us so we can begin to tackle the high priority that Canadians have placed to deal with things like child poverty and to deal with the problems of families.

• (1625)

For the first time as the federal government we are saying let us sit down as equals to work out how we can bring all our resources together in a new way to provide a new framework for social reform.

Again, when members opposite and others say that social reform is on the shelf, they have not read the budget. It started Monday night with a brand new way of working with the provinces to bring about social reform in a collective, co–ordinated, co–operative community way which is what Canadians want. That is what the Canadian social transfer is all about.

I issue an invitation to all members of this House. It is going to be absolutely essential and important that every member representing all the regions be prepared to put forward those kinds of proposals and ideas about how they can see this new Canadian social framework taking place, the kind of priorities that are there, where we allocate the money and to encourage and endorse in their own provinces and their own regions the willingness of the provinces to come to the table.

I was encouraged this morning to hear Roy Romanow, the premier of Saskatchewan, say that we are going to sit down and talk with the provinces, to watch the kind of courage expressed by Clyde Wells, the premier of Newfoundland, last night on television when he said: "Sure, we're the poorest province in the country but we realize the federal government had to take tough steps and we're prepared to sit down and work with them".

The proposal, for example, in Newfoundland for the new income security proposal looking at a way of providing income supplements to top up basic benefits to encourage people to go back to work is one of those ideas that we can work together on, that we can come together with the province of Newfoundland and other provinces that want to engage in that same kind of joint enterprise to provide more work and more incentives for people to go back to work to restore their sense of dignity and their sense of hope. I applaud Premier Wells for the kind of initiative he has taken.

It is important that we get this right and not engage in the vocabulary and the language of old Canada, to talk about the way things used to be which I hear too many doing and by equating social reform with the amount of dollars that we spend. I heard members in the opposition today standing up saying we are going to take this money and the provinces do not have as much.

Have they never considered that by changing that program we will put an entirely new regime in place where we do not have to have duplicating bureaucracy, where we do not have to waste money on people pushing paper, where we do not have to have people stumbling over one another to administer the same program? What we can begin to do is save money that we can recycle and restore back directly to people by getting rid of the superstructure and infrastructure built up over the years. That is the key point.

This is not only a way of bringing down the expenses of government but also making it more efficient, more effective, more competent and more relevant to the people who really need help and support. That is what this budget is about.

Let me for the moments remaining speak of a third initiative that emerges directly out of the budget in terms of undertaking the kind of reform of our social network that we want to initiate. That is proposals to look at the unemployment insurance system or, to frankly use the term that the Prime Minister used, an employment insurance program, to retool, redesign the program as a way of enabling people to get back to work, which is the fundamental mandate we received as a government.

That means taking a program which over the years has allowed or acquired a certain number of disincentives that discourage people from working, that provide alternatives to working, that do not provide the resources to get the kinds of skills and the training required to meet the kinds of new challenges in our economy.

It is fascinating to see how many good ideas are out there. This country is so full of people with good innovative ideas. We have to provide the encouragement, provide the incentive and provide the framework to let them flower.

Let me speak for a moment about the New Brunswick job corps which was a joint project between us and the province of New Brunswick for older workers who had lost their jobs in the forest industry. The forest industry was shrinking. We have come together as part of our strategic initiatives plan and put together a New Brunswick job corps for older workers.

Many of them went back to the forest to plant trees, to do the reforestation, to restore the resource. Others worked in a wide variety of other areas. I received one of the most encouraging letters last week from a gentleman from Moncton, New Brunswick who as part of his job corps experience has been working with the boys and girls clubs of Moncton, sitting down with young people, using his well honed, well developed talents from his years of working in forestry to impart that same kind of skill and that same knowledge to young people.

• (1630)

He wrote to me saying it was the best job he had ever had because he is back working with young people, giving them the skills they need. Rather than telling a 55–year old man he no longer is of use and is simply going to draw his benefits for the next year or two and will live out his life asking where is the meaning and purpose, we have given him new hope through the New Brunswick job corps. He is now back working in a job that gives him an enormous sense of satisfaction.

That can be done not just for one, but for tens of thousands of people, if we can take money spent through unemployment insurance purely for benefits and convert it into money for things like the New Brunswick job corps.

It can provide wage supplements for people to go back to work in the private sector. It can provide earned income supplements to get people off social assistance and back into employment. It can provide better training programs working with the private sector. It can provide good counselling in our programs so that people can understand what their choices and options are.

It can provide a new labour market information system from coast to coast to coast so that people will know exactly where the jobs are. They can plug their resumes into that system and an employer will know exactly who is available. They can do it right across Canada.

That is what we mean by social reform: re–engineering our system of unemployment insurance into an employment insurance system. We would be using the resources to give people the kind of incentive, the kind of support and the kind of encouragement they need to get back to work. We believe that is what Canadians want. They want to go back to work. The best kind of social security enables them to go back to work.

There is a transformation going on in today's workplace. Technology has an enormous impact in changing the way we work and in changing the kind of work available. We have to change with it. We cannot stay with the old programs and the old ways. Reform and change are essential to enable people to understand that this new workplace is something and that they have a real place to occupy.

My plea today is to let us use this budget as the launching pad. Let us use it as the foundation upon which we build a new employment system, a new work system and a new job system in Canada. With scarce resources and by working closely with the provinces, the private sector and community organizations, we would create new job opportunities. We would create new partnerships and would combine our skills and aptitudes to give Canadians real hope. Most important, we would use those resources so that Canadians individually could have choices. They could choose what kind of job, what kind of training, what kind of school and what kind of community they would build.

We launched social reform as a public consultation. It is now coming into practice as a program as of Monday night's budget. Its whole purpose is to give and restore to Canadians the choices about the kind of work they do, the kind of community they build and the kind of country they are going to live in.

[*Translation*]

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Mr. Speaker, anyone who is not aware of the government's real situation, of the figures, anyone who does not know the real intentions and the mess this government finds itself in, would be tempted to vote for a minister so eager to speak about job creation and training, would be tempted to vote for the Minister of Human Resources Development after such an enthusiastic speech.

What enthusiasm. What a man, with his desire to put young people back to work. What a man who wants post–secondary training for students. What a man who wants the transfer of

funds to give the provinces the power to make their own decisions.

People do not take these political speeches at face value. People know very well that debts are being offloaded in this budget. They also know very well that these transfers mean that the provinces will receive less over the next three years. For Quebec, the shortfall will be more than $2 billion.

When the Minister of Human Resources Development speaks about putting young people back to work, giving young people the chance to be trained, how can he explain that his reform plans would send young people right into debt? Since there is no money left, student loans and grants are of course frozen. But credit is to be extended more readily. At the same time, while responsibilities are being transferred, transfer payments are being reduced. This forces the provinces to come up with very tough budgets also.

• (1635)

This dynamic minister who would offer fine training through his plans for job–related training in conjunction with employers and with the workplace, does he know that this has been planned for a long time in Quebec? Does he know that in Quebec the University of Sherbrooke has a co–operative training program in which all students are not merely trained, but are also sent on regular placements with potential employers? Does he know that this approach was taken by what some call factory schools where students get practical training, long before the minister announced his plans, long before the minister suggested that such things should exist? No, Mr. Speaker.

How can the minister, in such an ardent speech, maintain this hope for young people when his budget consists solely of reducing transfers and offloading the federal debt onto the provincial budgets?

[*English*]

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, I sure liked the first part of his comments. I will certainly do my best to answer his question.

First, it is important to get the facts right. I know the hon. gentleman is an honourable and respected parliamentarian who never wants to get confused by misinformation. As we pointed out in the House today, the changeover in transfers in the province of Quebec for example only amounts to 3.1 per cent, not the vast figures used, but 3.1 per cent in 1996–97. It is a reduction of about $350 million, at most.

I want to underline the point I made during the course of my remarks because I know the hon. member takes this very seriously. That amount is far less than the reductions we are taking ourselves as a federal government, which is on average about 7 or 8 per cent. The national average of reduction on transfers is about 4.4 per cent and in Quebec alone it is 3.1 per cent. I would be quite happy to share further that information. It would be very useful for the member to know those are the real facts and not those that have been put forward by other sources.

It means we have to work at what I have heard the hon. member speak of quite eloquently in his own way. We need to eliminate a lot of the duplication which takes place between levels of government. We need to eliminate a lot of the build up of bureaucracies and the program administration which are in the way of the direct delivery of programs. I have always said that one of the major objectives we have in social reform is to eliminate many of those barriers and hurdles that have built up.

This puts the onus and responsibility on the provinces to figure out ways of doing that. They now have far more freedom and far more choice about how they can reorganize their programs to get those kinds of things because we are taking the restrictive rules off.

As the hon. member knows, the Canada assistance plan had a whole set of rules about what could not be done. A good example in Quebec is the APPORT program which has been a very good incentive to enable people on social assistance to go back to work. We could never fund APPORT under the old rules of the Canada assistance plan. Under our new transfer proposal Quebec can now use funds from the federal government for the APPORT program and therefore have a lot more flexibility.

It seems to be a real example of contradiction to have it being opposed by the Bloc Quebecois when it is in the interest of Quebec to have access to those funds for use in Quebec's own innovative programs.

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, now that I listen to the minister I can understand why some people call him the head dinosaur in the Liberal stable of those who believe that all the solutions to the economic and social problems of Canada are found with the government.

• (1640)

The issue of this budget is one of credibility. One year ago the Minister of Finance said: "We have now made all the cuts that we have to make". It is a matter of credibility not relative to what we have proposed. I think that we have been honest. What is at issue is the untruth, the smoke and mirrors we got in the last budget. It was said that there would be no cuts and especially that social programs were sacrosanct.

The budget speech gives the expenditure reductions by category. Would anyone believe there are cuts planned in health, in Canada Mortgage and Housing which serves the poor, and in veterans affairs? The people who served this country will now

be asked to make sacrifices by this government which promised there would be no cuts at all. One of the biggest cuts has been in heritage and cultural programs. There are cuts in international assistance as well. All of those things were promised to be sacrosanct.

The issue is one of credibility. I stood and applauded these cuts, but the story was given that there would be no cuts in the future. Now we are hearing all kinds of wonderful stories. Why should we believe them this time?

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, by the way, I want to make an official announcement. It is well known that in the next week the Reform caucus room will be renamed Jurassic Park. I hope we will be invited to the opening.

The real question of credibility is what Canadians take as being the honest efforts of a government to balance out its priorities. Those are to make sure that we can start living within our means and using our fiscal system to restore health while at the same time maintaining the kind of justice and compassion that we have.

I think the credibility of the hon. member's own party fell apart in its alternative budget. The Reform Party talks about clawbacks of $3 billion on seniors pensions. It talks about taking away maternity benefits from women. It also talks about virtually doing away with the Canada assistance plan and turning it into some kind of investment program. Imagine a single parent with three children in downtown Toronto saying: "Yes, I have a few thousand dollars. I am going to invest in my own registered retirement savings income security program". That shows no credibility.

We are trying to balance the two off. We know we have to make some cuts. At the same time, we believe in the kind of social reform we are initiating. It enables us to sit down with the provinces and the private sector to establish partnerships for new training programs and new job programs. We all share in the cost. We eliminate unnecessary bureaucracy and we get rid of duplicated programs. It is under those kinds of initiatives that we can begin to use our valuable resources in a much more effective way.

It seems to me that members of the Reform Party have completely and entirely abdicated the notion that good, effective management can bring about better results. Maybe it is because they know they will never have the opportunity to manage anything in the federal Government of Canada at any time, anywhere. Therefore they do not focus on the requirement to ask how to do things better.

The Reform Party has given the name Reform a bad currency. The real meaning of reform is to be able to make effective changes without losing one's values. We have maintained our Liberal values and we are going to make effective changes.

[*Translation*]

The Deputy Speaker: Order. Excuse me, but I must make the following announcement before 5 p.m. 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—gun control; the hon. member for South Shore—tourism; the hon. member for Frontenac—the budget.

• (1645)

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Mr. Speaker, it is my pleasure as the member for Richmond—Wolfe and the official opposition's critic for regional development to speak on the occasion of the tabling of the budget.

I would ask permission to first remind this House of one of the major causes of the Canadian deficit, because the aim of this budget is to resolve the problem of the deficit in order to tackle the problem of the debt. Let us have a look at one of the causes of this great catastrophe of the Canadian economy—the debt.

Liberal Pierre Trudeau came to the position of Prime Minister armed with a national vision that was impervious to the many representations made with respect to provincial jurisdiction. This national delusion of grandeur on the part of one political party would take the country of the 1970s down the road to a national debt that is today out of control.

The Liberals' Canadian nationalism formed the ideological foundation for government intervention, given the lack of a real social democratic policy. National unity in the face of rising provincialism provided one vocation for the party and its leader; the other was Canada's independence from the United States. Thus involvement by the central government with the aim of ensuring a Canadian presence in all regions of this vast country gave birth to a monstrous government apparatus, the cost of which is being felt today in the national debt.

Canada's debt is the hidden side of this national liberalism. It is the expression of the collapse of the Liberals and of Canada's economic and political systems. Yes, Mr. Speaker, the Liberal Party of Canada is responsible for the national debt.

Having said this, Canada's debt is now $550 billion, and will climb to $650 billion by 1997–98. The federal government's debt will continue to grow faster than the economy. The net debt will grow from $546 billion in 1994–95, to $578 billion in 1995–96 and will reach $603 billion in 1996–97. The debt, as a percentage of gross domestic product, will peak at 73.5 per cent in 1995–96 before easing off slightly to 73.4 per cent in 1996–97.

Canada's problem is structural. It is directly linked to the Liberals' desire to centralize everything and to stake out an

imposing presence for itself throughout the country. Quebec should have dragged itself out of this quagmire a long time ago.

In the Minister of Finance's 1995–96 budget, the state takes a hands–off approach to this bankrupt country's economy. However, the federal Liberals still have the same desire, the same delusion of grandeur: they have stuck with the same flawed vision they had in the seventies, which was the dream of a unified nation taking its place among the greatest western capitalist countries.

In 1996–97, the government will cut $650 million in transfer payments to Quebec for health, education and welfare, but has no intention of withdrawing from these jurisdictions. The central government is beginning its great withdrawal by merging established programs financing with the Canada assistance plan to create one global transfer program, dubbed the Canada social transfer.

Despite budgetary constraints and the spectre of national bankruptcy hovering over our heads, Ottawa firmly clings to national standards. Abiding steadfastly to federal principles, that is the rampart the government is defending in the budget, with Quebec's referendum looming on the horizon. Make no mistake, this budget is, above all, about decentralizing the deficit accumulated by Liberals Trudeau, Chrétien, Lalonde and Turner, about decentralizing the Liberal debt, starting with cuts in federal transfer payments for post–secondary education, health care and social assistance.

The federal government has withdrawn from its funding role, but the departments where duplication exists remain in place. Did anyone say the Department of Health would be abolished? And when do we get this sweeping structural reform of the federal system? Despite the government's claims since the beginning of this year that it wants to decentralize, the Liberals are still flying the centralist flag. Thanks to national standards, the centralist option is alive and well.

• (1650)

A withdrawing from its funding role in the provinces does not mean the central government has withdrawn its administrative structures. Even if these become increasingly symbolic, they are still costly and, as such, even more damaging to the initiatives of the provinces. The trouble is, the federal withdrawal creates a vacuum. There is a lack of real job creation measures. People are upset about drastic cuts, and there is a consistent lack of regional development policies. For instance, general cuts in transfers to the provinces will have an impact on access to university. This is tough for our young people.

Certain regions may have trouble supporting their universities. This was said by Claude Lajeunesse, president of the Association of Universities and Colleges of Canada. And he should know. The Eastern Townships, where I have the privilege of representing the riding of Richmond—Wolfe, is one of the regions that will be particularly affected by the federal government's new policy, the so–called Canadian Social Transfer, and the attendant cuts in transfer payments. This region, which has two universities and five hospitals, will suffer as a result of these cuts. Let the federal government withdraw, let it disappear and with it the departments of Health and Human Resources Development, let full responsibility be transferred to the regions, with the appropriate tax revenues.

Canada is the G–7 country that invests least in research and development, but the Minister of Finance cut the budget for research and development. In the agricultural sector in Quebec, $10 million will be cut annually over the next three years. This will have a particularly dramatic impact on the development of regions in Quebec that are known for their flourishing dairy industry. We see the same thing happening to the National Research Council of Canada, whose budget will be cut by $76 million over the next three years. Do not try to understand why. The Liberal Party which, throughout its election campaign and in its red book, focused on jobs, advanced technology and competitiveness, is now withdrawing from research and development in Quebec, making the regions poorer in the process.

Another example of a regional catastrophe. The Gaspé and the Maritimes will be particularly affected by the repeal of the Atlantic Region Freight Assistance Act, since $99 million worth of subsidies will be cut.

I would like to welcome my Liberal colleagues, who are coming from behind the curtains to listen to what I have to say.

The federal withdrawal announced in Monday's budget may be described as typical of a routed State, a government that has become so fat that it can no longer move except to reduce this government–made deficit on the backs of others: Quebec and the provinces. For example, Henri Massé, secretary general of the FTQ, reminds us that the total payroll for federal civil servants accounts for only eight per cent of the deficit and he concludes that this is a very cruel budget for the little people. It attacks the most disadvantaged segment of our society, namely the wage earners, while protecting the friends of the regime. The powerful capitalist leaders of the Liberal financial community in Canada are like the angels of the Liberal Party.

We, in the Bloc Quebecois, ask federal public service employees: "Do you not think that your jobs will be safer in a Quebec public service set to expand in a new sovereign country than in this declining federal public service?" Who says that laying off 45,000 employees will produce efficiency gains? What guarantee do we have that, as my hon. colleague from Saint–Hyacinthe—Bagot said, the "bosses" across the way will not decide to replace the career civil servants who will be laid off with friends of the regime, friends of the Liberal Party?

• (1655)

Again, one of Quebec's regions will have to bear the brunt of indiscriminate federal cuts, as 12,000 federal jobs will no doubt be eliminated in the Outaouais region.

Going once more against what it had announced during the election campaign in terms of employment policies, the Liberal Party is about to cut the budget of its industry department by $560 million. This measure is all the more harmful because it affects peripheral regions.

With respect to the regions, while maintaining a presence, the Liberal government is planning to reduce the budget of regional development agencies by the modest sum of $0.6 billion over a three year period.

The Federal Office of Regional Development—Quebec, the FORDQ, becomes an empty shell that eventually will merge with the Federal Business Development Bank, as indicated in the budget, and play the role of a financial institution.

The implications of the budget are obvious: regional development agencies will channel their assistance to small business. Subsidies will be systematically replaced with refundable contributions and loans. Apparently, the Liberal Party of Canada thinks it can treat regional small businesses and big multinational corporations the same way, because when it cuts 60 per cent of its subsidies to business, it seems to think this should affect regional small businesses as well. And remember, they cut only 60 per cent, when everyone in the official opposition, including Quebec employers, wanted to cut them 100 per cent.

This approach will be very damaging to regional development in Quebec. That being the case, with the FORDQ an empty shell, the federal government should withdraw from regional development altogether, with full compensation for Quebec. The FORDQ is a typical example of duplication and overlap. Programs to help small businesses already exist in Quebec in all administrative regions, including a secretariat for small business at International Affairs.

Quebec cannot afford to remain in a system that maintains duplication and overlap. In any case, Quebec has generally had gained very little as a result of federal regional development policies, and the Minister of Finance's latest budget is a case in point. In fact, we are been advised by the minister that operating budgets of regional development agencies will be cut, and again, Quebec is being hit, this time to the tune of $40.3 million.

Monday's budget is typical of the Liberal philosophy of Canada's financial community. This budget does nothing to relieve the tax burden on the middle class, but maintains tax shelters for the very wealthy and large Canadian corporations. It continues to attack the neediest in this country. In 1995–96, social programs will see their budgets cut by 7.3 per cent; industrial, regional and scientific support programs, 1.8 per cent; heritage and cultural programs, 6.9 per cent; and Transport, 11.4 per cent. Meanwhile, debt charges are expected to increase by 20.7 per cent over the same period.

It is pretty obvious that Canada's financial community is not helping to pay the debt. The job market and the neediest in our society are bearing the brunt of these debt charges. The figures prove it: Over 27 per cent of the cuts to job creation and social programs will be used to pay the 20.7 per cent increase in the cost of servicing the debt.

The budget hits big business and corporations with a disproportionately small share of the deficit and debt fighting measures. Surtaxes on incomes of approximately $115 million were raised from 3 to 4 per cent, income tax rates for large corporations were raised slightly from 0.2 per cent to 0.225 per cent of capital used in excess of $10 million.

Let us not forget the banks. They do not get a permanent tax increase, but a temporary one. A minimal and insignificant tax. The Royal Bank of Canada, you will remember, pocketed $1.2 billion in profits last year. These are but a few examples of how the federal Liberal budget has spared the middle class, only to hit the big Canadian capitalists with mere micky–mouse tax measures, and thus passes by funds that are needed to reduce the deficit.

• (1700)

That is where the money is coming from to reduce the federal deficit. There is nothing in this budget for job creation, which is particularly dramatic for Quebec's regions. The Liberals even have the gall to say that the unemployment rate is expected to remain unchanged over the next few years, at approximately 9.5 per cent, that is to say about 11 per cent for Quebec and its regions. The people of Quebec should know the time has come to say "yes" to a sovereign Quebec. It is more important than ever that our powers and decisions be in our own hands and not in the hands of others, like the federal Liberals.

Quebecers will pay dearly if they decide against having a country of their own, a real country that will take control over its public finances and operate the administrative changes required. Unless Quebecers vote for sovereignty this year, unless they choose budget efficiency and structural change, they are headed, as a society, for a situation where Quebec will have less and less control over job creation and will loose all ability to put in place an efficient regional economic recovery plan.

A negative vote at the upcoming referendum will signal the decline of regional development in Quebec, because the present Liberal federal government is showing its true colours in this budget with disastrous consequences for the regions. What the Federal Office of Regional Development, this capitalistic small business loan agency, will become is a parody of regional development. As the Bloc Quebecois critic for regional develop-

ment, I fully support the amendment put forth by my hon. colleague from Saint–Hyacinthe—Bagot to defeat this budget.

In closing, what it this budget about? What does it mean? This is a pre–referendum budget that does not even let us see right away, in practical terms, that, once again, the federal government is hurting Quebec. The pain it getting pretty unbearable and this pain is like a wound, a wound that will not heal in this federal system. In order to heal, we have to decide for ourselves. Quebec has to choose its own remedies, so that it can be on its way to economic recovery.

It is up to the people of Quebec to choose a positive solution and find a cure to they own ills. To remain in this federal system is to leave our cultural and economic future, which is already seriously compromised, in the hands of individuals who look after and stand for interests other than those of ordinary people in Quebec. The unemployed, the disadvantaged, the ill, the aged, the young, these are the people for whom the federal system never does anything.

No! They work for the financial elite, the big corporations, the banks, the family trusts that will not be taxable until 1999, all close friends of this government, the majority of whom represent English Canada and the financial elite. That is what Canada has always been.

The people of Quebec must take responsibility for their own future, with confidence and openness. Confidence in themselves, in their resources, their strengths and capabilities; open to others as they always have been in their cultural and business relations with Canada, the United States, South America, Europe and the rest of the world.

Confidence and openness are Quebec's two greatest assets for the future. They are what it needs to recover from this incurable federal disease. The future of Quebec, if the people really want it, depends on pride. Pride in the fact that we decide to have a country, in the fact that we are all prepared to be responsible for our economy, our social programs and our culture, and pride in our own perception of the future, the future of generations to come, of our sons and daughters. We put our trust above all in our children, and we must do everything we can to prepare their future and ensure that our contribution in this respect is exceptional and worthy of the responsibility we have as their parents, as their elders.

• (1705)

History is in the making, and we should be proud to be a part of it and to make this exceptional contribution to our joint future. We say yes to this future, for the sake of our children first of all, and we want the people of Quebec to be a strong and vital force in a country that is Quebec.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso, Lib.): Mr. Speaker, I listened with great interest to the speech by the hon. member for Richmond—Wolfe. I know he listened with interest himself to the words of the Minister of Human Resources Development earlier, when he spoke about the overtures made to the provinces to work out a new framework for the social security system, as described in part in the budget, and in other government initiatives to involve the provinces and work with them in a spirit of partnership, so that together they might develop a new social security system that will meet the needs of all Canadians.

Given these initiatives and the position the hon. member has just expressed on Quebec sovereignty, I would like to know whether he thinks there is a happy medium. Would it be possible to work in partnership with the government of Quebec in developing a new generation of social and other programs, which might, in his view, enable the people of Quebec or the government of Quebec to really participate with the rest of Canada in these programs?

Given that the referendum, if the government of Quebec ever sets it in motion, is not a foregone conclusion and that there is a good chance, if not a strong possibility, that Quebecers will say "yes" to Canada, as they have always done, and "no" to separation as proposed by their provincial government, is there any way, in his opinion, consistent with his option, to work together with the government of Canada, other provincial governments and in the other partnerships involved, to improve and renew Canada's social security system?

Mr. Leroux (Richmond—Wolfe): Mr. Speaker, first of all I would like to thank my colleague for this very long question with its many parts. First off, I must say that the words dialogue, partnership and co–operation are not just words but are underlying principles in Quebec, underlying principles used by elected members, used in the communities. In Quebec we have always worked through dialogue, partnerships and in co–operation.

• (1710)

To my mind, this is a very clear characteristic of Quebec and in this regard, my hon. colleague, you must have seen the numerous socio–economic summits held in all regions since the 1980s, you must have seen dialogue and partnerships develop between university communities and economic communities. Since then, you must have seen strategic plans evolving for each region in response to the difficult economic situation and to meet development needs.

Yes, my hon. colleague, we have these deeply rooted qualities and we have also worked through partnerships, in co–operation and openly with a great variety of partners in Canada, the United States and other countries.

However, my hon. colleague, we are not attempting to give a history lesson, but we do have a very great deal of patience. Quebec has demonstrated that it has a lot of patience. Quebec has shown that it is a very peace loving nation. We have discussed this Canadian partnership for a very long time now. We have had repeated discussions about many areas of jurisdiction. One must consider that we have suffered heavy blows as a result of these discussions. You will remember that the greatest and most serious blow ever dealt to Quebec was the unilateral patriation of the constitution in 1982.

This unilateral patriation of the constitution, to remind you, followed a major debate in Quebec when honest people believed the speeches stating that a "no" meant "yes" to fundamental change to the system described as a partnership, involving give–and–take and co–operation, when they were told that a "no" meant "yes" to profound reform and to a serious re–affirmation of ties with Quebec. Quebec had the constitution rammed down its throat. Even though the National Assembly voted almost unanimously against patriation. There are limits.

Quebec nevertheless took the "beau risque". We tried to come back, to resume dialogue, to get back into the debate with a partner called Canada and the other provinces. We went through different stages. We survived the Charlottetown experience, we survived Meech, despite the many wounds they inflicted.

Partnership, openness and association with our neighbours are qualities that are still part of the make–up of Quebecers, but it is hard to conceive that association could coexist with renewal.

Yes indeed, dear colleague, Quebec, which will take on the qualities of a sovereign country, will be extremely interested in economic association. Please keep in mind one very important point regarding Quebec's trade balances with the other provinces. In 1989, Quebec bought goods and services for a total of $26 billion from Ontario, $2.2 billion from the Atlantic provinces and $5 billion from the Ottawa region alone. Trade links between these regions do exist.

Yes, dear colleague, we are prepared to work in partnership with friendly countries and in a spirit of openness, co–operation and collaboration, but only on the basis of economic association and only after we have established our sovereignty.

The Deputy Speaker: Dear colleague, I would ask you to address the Chair next time. This enables us to depersonalize the debate.

[*English*]

The hon. parliamentary secretary on a point of order.

The Budget

Mr. Mills (Broadview—Greenwood): Mr. Speaker, have we gone through 10 minutes with one question and answer? Did I misunderstand you?

The Deputy Speaker: The parliamentary secretary is correct. Perhaps that will be a record in this Parliament, that one question and one answer went about nine and a quarter minutes.

Mr. Jerry Pickard (Essex—Kent, Lib.): Mr. Speaker, I would like to advise you that I will be sharing my time with the member for Cape Breton Highlands—Canso.

It is my privilege to rise in the House today to participate in the budget debate. I compliment the Minister of Finance on a masterful budget the addresses the concerns of the business community, the international markets and the Canadian taxpayer. He has made great strides to bring our deficit under control and meet the targets we set in our election campaign. In 1996–97 we will reach the 3 per cent of GDP target we outlined.

• (1715)

Over the last few days a great deal of speculation about the budget has been replaced by some pretty confident and solid comments about the Canadian economy. They have been addressing the positives in terms of what we have seen in the budget.

Mr. John Bulloch, president of the Canadian Federation of Business, said that it was very believable and very credible. The powerful Canadian Manufacturers Association called the budget the first serious attempt at resolving Canada's books and balancing them properly. The Montreal based bank, the Laurentian Bank of Canada, led the way in cutting its prime rate by one–quarter of one per cent on budget night. Since then and through this week we have seen the Canadian dollar go to a solid 72 cents. At the same time most of our lending institutions announced that they would be cutting their lending rates from one–quarter to one–half per cent. Mortgage rates will be down.

What does this mean to the average Canadian taxpayer? It means that we will have more money in our pockets. Average Canadian taxpayers are making payments on loans and on mortgages. When they come up for renewal they will be paying less for borrowing that dollar. It is a positive point about the Canadian economy. It is the point that will create more spending, bring back consumer confidence and lead us to more jobs.

Over the past 10 years Canadians heard finance ministers Wilson and Mazankowski give budget speeches that promised to reduce the debt and the deficit. Their assumptions and targets were so far off base that year after year we fell well below the targets. They mismanaged the economy badly. When they were elected in 1984 the debt of the country was $168 billion. In nine

short years from 1984 to 1993 they tripled the debt, going from $168 billion to $500 billion.

At the same time, the Canadian government under Wilson and Mazankowski had to keep interest rates high to attract the bulging demand for foreign capital. We as a country became more and more subject to foreign investors. We became more and more a country with rising foreign debt. As a result we needed a major change and the Canadian public was well aware of it. Our Liberal government when elected in 1993 set realistic, achievable goals.

This year's budget, with a total saving of $29 billion over three years, is realistic. It is achievable. As a result, because we based our budget on basic, realistic, achievable goals in our economy, we as a government will create a positive climate that will move forward in a very positive way. I forecast that not just three years down the line but in five years from today, by the year 2000, we will be looking at a no deficit budget. We will be looking at a balance sheet where we can start digging into the debt and reducing it.

What does the budget mean to the average Canadian taxpayer? As I said, money is going to be in their pockets through reduced interest and borrowing costs.

I have heard the opposition complain very bitterly that Canadian taxpayers will have to pay an excise tax on gasoline. Yes, we added 1.5 cents to the cost of a litre of gasoline. There is no question about that. I would suggest that when average Canadian taxpayers fill up their cars once a week they probably put 50 litres in their gas tanks. The increase will amount to 75 cents a week or the price of a cup of coffee. Would they rather pay the price of a cup of coffee and see their mortgage rates go down or, as Reformers would state, have absolutely no expenses? I do not see their logic. I do not see their reasoning. I have talked with a lot of Canadians and they are not upset by the 1.5 cents per litre increase.

• (1720)

There are, however, other people in this dimension. Over the last several months large corporations and banks have announced record profits in their businesses in Canada. They have been targeted to help reduce our deficit, as well they should be. Over the next three years we expect to generate $910 million from tax increases to very prosperous institutions. They as a group have been demanding that the government get spending under control, and they are the group that has a responsibility in helping us do so.

My riding of Essex—Kent in southwestern Ontario is very dependent upon agriculture for its livelihood. It is an industry that producers over half a billion dollars in the two counties of Kent and Essex that I represent. We are very mindful of the partnership between government and the agri–food industry working together in that sector.

The government in streamlining research has designated some areas as centres of agricultural excellence. In southwestern Ontario the Harrow Research Centre will become a national centre of excellence for research in the greenhouse industry and the food processing industry. Streamlining services in Harrow will centre the research where the high concentration of greenhouses and processing crops is. The value added and tax initiatives that very instrumental to Essex and Kent counties will help our economy a great deal.

In the Chatham area we will see an ethanol plant that will have a great impact on the economy. The plant is a result of a real desire on behalf of the government to improve value added production in Canada. The benefits of the initiative have great potential across the country. There are very serious concerns about MMT that is presently being used to boost the octane of most Canadian gasolines. Ethanol is far more environmentally friendly and will be the choice of Canadians in the future.

Liberals can take pride in our legacy of caring for people and ensuring that our seniors will be financially secure. Measures have been introduced to guarantee their incomes and to make certain that over time in the future they will have definite pension plans that will pay to support them. They can be sure that with the studies and discussions presently ongoing the old age security and guaranteed income supplements will remain. The government will remain committed to providing a fair, reasonable and equitable situation for them.

Cash transfers to the provinces have been questioned very much. I was a little appalled this morning when I saw Bob Rae on television complaining about Canadian support to the provincial government. Bob Rae, the premier of Ontario, has totally mismanaged the economy of Ontario. Between 1990 and 1994 the federal government increased its funding for Ontario hospitals, colleges and universities by 26 per cent, while Bob Rae only increased funding to hospitals, colleges and universities by 17 per cent.

What does that mean? It means that Bob Rae did not participate in those services as the federal government has and did not carry his fair share. He mismanaged the economy and downgraded services, accepting totally the transfers from the federal government but not spending them within the province with matching funds.

• (1725)

It has to be made clear in looking at the services that above all we are trying to make certain Canadians across the land get fair and equitable treatment.

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, I have some questions for members of the government. They talk about wanting to be fair and treating all regions of Canada fairly. I would like them to take another look at the budget and what they have really done to the Atlantic region.

The Atlantic region last time around took 27 per cent of all the cuts in the last budget and we have 8 per cent of the population. This time around someone has to tell me how they can justify taking away the freight rate subsidies to get our product to market. When they brought down the budget on Monday, 15,000 jobs were jeopardized in the Atlantic region. Members do not know this and backbenchers do not know this, but the Minister of Transport knows it. He made promises to the people in the Atlantic region. They held public meetings. Our people said they would give up ARFAA, the interprovincial subsidy, but that they must have the westbound one in order to keep working. They were led to believe the Minister of Transport agreed.

Does anyone know how they heard that the ARFAA and MFRAA were to be taken from them? They heard it from Peter Gzowski on CBC interviewing the Minister of Transport. I have a list of companies in the Atlantic region that will be affected. The Canadian Manufacturers Association wrote to the Prime Minister about the fact that there had been no dialogue from the Minister of Transport.

We want to be fair and responsible in the Atlantic region. I get tired of hearing people refer to us as have not provinces. Our people believe in the family unit and in work. They want to work.

What are they going to do for all the people in manufacturing? What are they going to do today? I represent a city that has a nuclear power plant and the largest privately owned oil refinery in Canada, and the government took away the weather office. Does the government not know what it is doing? I do not believe it does. This is a very serious situation.

I ask hon. members to revisit what they have done. What has happened to the Atlantic region is devastating to our people. The people are sitting at home today wondering what is going to happen tomorrow because they have not had all the bad news yet. They took the bad news the last time and said: "We are good Canadians. We will accept it". However we cannot accept any more.

I ask members to take another look at it. Where are the 31 members in government from the Atlantic region? Why are they not speaking out for good, honest people who want to work? That is all they are asking for. Government members say they will create jobs; we are still looking for them. They know our transportation costs have been increased by 40 per cent with what they have done by taking away the freight rate subsidies. They cannot compete. They are finished.

I ask hon. members to take another look at what they have done to the Atlantic region, a part of this country. They did not state that the St. Lawrence Seaway would no longer be ice free. When that project came into play it affected my international port. What will you do for the Atlantic region?

The Deputy Speaker: I ask all hon. members not to refer to other members as "you".

• (1730)

Mr. Pickard: Mr. Speaker, the question was a little longer than requires a brief reply.

The point to be made is that every region in this country has equal treatment in this budget. There has been a tremendous effort on behalf of the finance department, the minister and the government to make certain every section of this country does have fair and equal treatment.

It is interesting that the member did note that they are losing transportation payments. She was very upset about that. I remember the Mulroney government which took the At and East bill and destroyed travel in the east, in Ontario and all through eastern Canada. I certainly saw it destroy the economy of this country.

Jeffrey Simpson, who is really no friend to the Liberal Party, did support the Tory government and stated very clearly that if Wilson and Mazankowski under the Mulroney government had taken some reasonable action about the economy of this country in the 1980s we would not be in the problem we are today. It is a sin we are here. They created it and they got ripped by the Canadian public for it.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso, Lib.): Mr. Speaker, the member for Saint John wondered where the 31 other Atlantic members were to speak on this budget. I am one of those members and I am proud to support this budget.

It is a very fair budget. It is a budget that responds to the needs of Canada, including Atlantic Canada. It is a budget that will build a strong foundation for future growth in Atlantic Canada and it is the budget that does what nine years of Tory government failed to do, which is the reason why it only has one member from Atlantic Canada in the House of Commons and only one other member in the House of Commons.

I welcome the opportunity to speak on the budget that was tabled on Monday. My remarks will come from two perspectives, as my experience as chair of the House of Commons committee which recently carried out extensive public hearings across Canada on the future of Canada's social programs and as an Atlantic Canadian.

For many, perhaps most of the hundreds of Canadians who appeared before our committee last fall, this budget and what would happen to social programs and to the historic federal commitment to social programs as a result of the growing preoccupation with the deficit was very much on their minds.

Many witnesses expressed suspicion that the comprehensive review of the social security system in Canada which they acknowledged was necessary was nevertheless being used as a smoke screen to slash spending on social programs as a way for the government to achieve its deficit targets.

They wondered about the choice of programs that were being included in this review. Why was the government not focusing more on tax expenditures, in particular about tax breaks to wealthy Canadians and corporations? Should they not be made to shoulder their fair share of the task of deficit reduction?

The report of the human resources development committee which I tabled in this House on February 6 paid careful attention to these concerns and had some specific recommendations for the Minister of Finance to consider as he prepared his budget.

In particular, we urged him to ensure that the balance of deficit reduction measures in his budget addressed the issue of tax fairness in Canada. As well, we urged the government to proceed with the reform of social programs as part of its jobs and growth agenda.

The country's difficult fiscal situation only makes the need to address the accumulated problems which have occurred in our social security system more and not less urgent. We did not say that there should never be any reduction in social spending in Canada. That would have been unrealistic in the current fiscal climate. What we did say was that savings in this area should be achieved as part of a fundamental, comprehensive reform to the system of social security in Canada.

• (1735)

It is one that would respond to today's social security needs like addressing the pressing problem of child poverty, fostering the kind of life long learning culture that will support employment and assist Canadians to find the kind of well paying jobs that have a future in this country and, most important, by stabilizing the overall finances of the federal government by removing the distortions and the disincentives that have grown up around government programs that have been built with the best of intentions for another era and by focusing the resources and the energies of government to those areas where government is best placed to be effected. In short, by getting government right.

The Government of Canada can provide the leadership and the fiscal framework needed to ensure that the social security system and the programs which Canadians across this country told the committee they were so proud of and were so necessary and so much defined our country would be preserved and enhanced for the future.

Does the budget that was released on Monday respond to the concerns of Canadians as reported by a committee? In large measure I believe it does. The committee urged the government to balance efforts to reduce the deficit with measures to promote tax fairness. This budget does that. For example, there are no increases to general income taxes, yet measures are taken to ensure that taxes that are owed are paid.

The large corporations tax is increased by 12.5 per cent and the existing corporations surtax from 3 to 4 per cent. In addition, banks and other large deposit taking institutions will pay a tax on capital, raising $100 million between now and October 1996.

The budget takes dead aim at the system of family trusts. All tax advantages that flow from the establishment of family trusts will be eliminated. The infamous amendment to the so–called 21–year rule that was introduced by the previous government to allow the wealthy to shelter tax through family trusts will be repealed.

In addition, the budget adopts a specific recommendation of the committee that would open up tax expenditures as well as direct expenditures of government to regular parliamentary scrutiny.

With the budget the government reaffirms its commitment to reform of the social security in Canada not as a reckless exercise in slashing programs but as an orderly and thoughtful process of renewal in full partnership with the provinces and in consultation with Canadians.

This budget makes no immediate cuts to the principle elements of the social safety net. What further spending cuts occur only begin in 1996–97 and then only once a framework for a renewed and reformed unemployment insurance system and the implementation of the Canada social transfer are fully in place. These reductions are less than the reductions that have been made in other areas of government. The social programs will have more room in a government which is more rationalized and where the fiscal part of the government is more organized.

The consolidation of the Canada assistance plan and the established program finance transfers into a uniformed block transfer to the provinces follow in the spirit of the committee's reports which recommended that the Canada assistance plan be made into a block transfer in order to give the provinces more flexibility and in order to design reformed and renewed ways of helping people who are on social assistance provide basic supports for their families, also to enhance their access to the job market.

In addition to that the committee also recommended that there be an enhanced effort toward working with the provinces to enhance the child tax credit, working income supplement and other measures that would be made in order to work together to provide more assistance to poor families with children.

• (1740)

In addition, the redesign of the unemployment insurance program announced with this budget is also something that is absolutely necessary. Our committee recommends ways in which the unemployment insurance program can be redesigned and rebuilt in order to foster employability, in order to promote

lifelong learning, in order to allow Canadians to have access to the supports they need to get the jobs of the future.

As an Atlantic Canadian, particularly one who comes from a region where unemployment insurance and other social programs are a very important part and preoccupation, I know they realize there must be changes to this program in order to help Canadians get into the workforce and to help our people relinquish their dependence that has grown on unemployment insurance.

If we as Atlantic Canadians can participate in a renewed unemployment insurance system or an employment insurance system, which is really what it is all about, we could help to create a better foundation for our economy in Atlantic Canada, creating the kinds of jobs we need to have in order to have a stable future there.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I too was on the tour with the committee on social program reform with the hon. member for Cape Breton Highlands—Canso. There are some things he has not said, because what everyone talked to us about, everywhere, and the budget makes no mention of, is the matter of job creation.

One of the questions I would like to ask him is why the budget contains no objectives for job creation. There are criteria for the deficit. They decided that, to control the deficit, it had to be brought down to 3 per cent of the GDP. Why did the government not set objectives for itself in terms of job creation? There is nothing about that anywhere in the budget.

At the same time, we are told that banks are going to be taxed in the amount of $100 million. When, however, during the tour of the committee on social program reform, did people tell us that another $700 million should be cut from the unemployment insurance program? As for the block transfer, yes, a possible block transfer for social programs was recommended, but did the committee recommend cutting $7 billion in this area in the next two years? There is a difference between a block transfer and a transfer after cuts are made. There is a significant difference between the two, which I consider important.

I have another question and, in this regard, I can sympathize with the issue raised by the Conservative member who spoke earlier about transportation subsidies and the people who live in the east. It is true that they said: "They want to get us off unemployment insurance". Everyone in Canada knows that nobody goes on unemployment insurance for the fun of it. They are on it because of the way the economy is. At the same time, however, they said: "Give us a period of transition to do it".

Why did the government, in its transportation assistance program for the Atlantic region, not follow the recommendations made by the industry, by the people locally and by the economic development officers and why was there not a gradual decrease in these types of taxes, so that, in three or five years, a new economic situation could be achieved, over which the people in the community would have total control?

Mr. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I would like to thank my hon. colleague for his questions.

Firstly, many jobs have in fact been created since the government has been in office, more than 433,000 jobs have been created. These jobs were created thanks to the confidence the government has inspired across Canada, especially in the private sector, and the budget brought down by the finance minister on Monday evening will increase the confidence felt by the private sector, the business community, because the government is taking the necessary measures to tackle Canada's deficit directly, thereby creating jobs and lowering Canada's unemployment rate.

• (1745)

The targets the government has set its sights on are necessary to stabilize public finances and create jobs. We can see the effects already in the falling unemployment rate. Our program's objective is to create jobs.

Among the reforms suggested, we will have the opportunity to work on those relating to unemployment insurance. The new Canadian social transfer will allow the government of Canada, in conjunction with the provinces, to create a new social security net with a greater emphasis on employability.

To repeat, we are laying the foundations necessary for a strong Canadian economy which will result in new jobs being created throughout the country.

That is the government's strategy. We have forged ahead with it, it is working and it will continue to work.

[*English*]

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, as I listened to the various Liberal members who have spoken about this marvellous budget of theirs today only one thought comes to my mind, they do not understand fundamental arithmetic.

The Canadian people, the taxpayers, who have been funding all these programs that previous governments have put in based on election promises and credit card funding, have been saying that overspending has to stop. They want to see a balanced budget down the road. They want to see some tax relief down the road.

This red ink budget that the Liberals have delivered by 1997 will add another $100 billion to the debt and will increase the interest payments on that debt to some $51 billion to $52 billion. Can they not get it straight? It is the mountainous debt and the

mountainous interest payments on that debt that are ripping the heart out of the social safety net of the country.

It is not enough today to nibble at the edges of overspending. We need a positive, progressive plan to decrease the deficit to a zero budget. That is what the Canadian people want. They will not get it from the government. It has not been listening to them.

Mr. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I beg to differ with the hon. member. We cannot start eliminating the debt until we start to get the deficit down. That is what the government is doing.

Does the hon. member actually believe that by slashing social programs in one fell swoop the deficit will be eliminated faster?

Mrs. Diane Ablonczy (Calgary North, Ref.): Mr. Speaker, we in the House should spare a moment of sympathy for the Canadians who, for unknown reasons, are watching the debate on television. We have members opposite saying that it is a wonderful budget, a visionary and perfect budget for the country. Then we have members of our party who are responding to the budget with grave concern and alarm. It is only fair for Canadians to know why there are real concerns about the budget.

It is true that the budget reduces the deficit. Unfortunately the budget and the so–called rolling targets that it contains substantially increase the interest burden. That is the real threat to social programs.

I do not think the finance minister should get a lot of credit for reducing the deficit. As a matter of fact, he had absolutely no choice. Not only are Canadians telling their political leaders that their number one concern is the debt and deficit, our creditors have been sending us strong, unmistakable messages that we had better get our fiscal act together. According to the *Wall Street Journal* Canada "has now become an honorary member of the third world in the unmanageability of its debt problem".

• (1750)

The debt is about $550 billion. By the time the government is finished with us it will be $650 billion. Where is a country like Canada going to be with that kind of debt loading down its future and its young people? Moody's has threatened to remove our coveted AAA bond rating. International lenders everywhere want assurance from the government that a $25 billion deficit is just an interim goal. In fact, the budget sets $25 billion as the goal. Then there is some very nice talk about good intentions down the road. The good intentions of the Liberals for the last 30 years have paved a lot of roads and they all lead down into the debt hole.

Our real concern, which Canadians share, is that the budget will have a profound effect on the future of social security. Contrary to popular belief, Reformers are going to get old. Some of us are quite close to that goal. Reformers get sick. Reformers have disasters strike them. Reformers become unemployed. We are very concerned about the security of every single Canadian. That is why we brought in a plan to stop the horrible interest drain on the social security resources.

The finance minister's refusal to deal with the financial mess that is being caused to social programs by ever–burgeoning interest payments is a missed opportunity for which all Canadians will pay a heavy price. Much of our social program spending is funded and has been funded for years on borrowed money. Every year we borrow money, and that has been every single year, unbelievably, for the last 25 or more years. We increase the size of our interest obligation.

Every increase in the amount we are forced to pay in interest decreases the amount we have left to fund the programs we offer to Canadians. The only hope we have to break this vicious cycle of higher interest payments and less cash for our programs is to quit borrowing. That is exactly what Reformers have proposed; to quite borrowing as fast as possible, in fact by the end of three years.

In order to quit borrowing, social program spending has to be reduced. That is because fully two–thirds of non–interest spending by the federal government is on the social side. Even if we virtually wiped out every other program and function of government, we would still barely balance the books.

Of course many essential government programs cannot be eliminated. Although there is some fat in other non–social spending government programs—and the taxpayers' budget starts by cutting government operations by a full 25 per cent for a $10 billion savings—simple arithmetic dictates that some spending reductions must take place on the social side.

Interestingly enough, even our human resources development minister has figured that out. On page 8 of his discussion paper, which as we know went nowhere, it states:

> —the interest costs on that debt are choking governments' ability to deliver services that the public needs and depends on—The larger the debt gets, the bigger the interest costs and the smaller the budget for services—The status quo is not an option.

That is the government's own minister. We have to ask ourselves why is status quo social spending precisely what the finance minister brags he has given us in the budget when another minister is saying that the status quo is not an option? The clue is in the rhetoric with which he has chosen to surround this sensitive issue.

• (1755)

Instead of providing a plan, the finance minister, like the human resources development minister, has again chosen to delay addressing Canada's ailing social programs, letting the cancer spread, letting the patient get sicker and sicker. Why? Because the Liberal government does not have the political guts

and fortitude to do the job, to get social spending under control so that we can preserve social programs for the future.

The Liberal government, knowing full well that the future security of Canadian citizens is in peril, lacks the political fortitude to take bold and decisive steps to effectively address the issue. Even worse, not only are Liberals afraid to deal with the problems in this critical area, they work hard to make Canadians afraid to have it dealt with at all.

How do they do this? By telling Canadians again and again that any plan to safeguard the ability to provide long term security by some reductions in social spending today is too cruel, too heartless, too harmful even to consider. Anyone suggesting such a course of action is immediately set upon and labelled as lacking in compassion and uncaring about the poor and needy.

Clearly Liberals cannot honestly believe this to be true because they are saying, and I quote again from the human resources development minister's discussion paper: "The interest costs on the debt are choking government's ability to deliver services that the public needs and depends on". They know this. One can only conclude that the government is anxious to make a virtue out of what can only be termed a shameful failure to get a grip on its deficit spending habits.

We are treated to loud protests by members opposite. In fact, they can be heard even as I speak, in the background nattering on and on. Any suggestion of spending reductions on the social side, even though they clearly know that government must reduce its expenditures in all areas if we are to have any hope of curbing the interest haemorrhage from the national treasury, is cloaked in inaction with a lot of talk about their commitment to compassion, fairness and equity. However, Canadians are beginning to see through all this nice talk to the lack of substance within.

Nowhere is this made more clear than in last week's unveiling of the Liberal so–called reform of MP pensions. Canadians were treated to the unseemly spectacle of government ministers flatly refusing to lose a nickel of their incredibly rich pension benefits.

This year the Canadian government paid $42 billion in interest. Just think for a moment what we could have done with $42 billion to spend on the citizens of our country. It could have doubled all guaranteed income supplement payments to needy seniors. It could have cut income tax by 20 per cent. It could have given free tuition to 100,000 students. It could have provided $10,000 to 100,000 newly married couples for mortgage down payments. In addition, it could have totally eliminated the GST, something the Liberals promised to do. To put the icing on the cake, it would have paid to build a $500 million skydome in every province, including P.E.I.

We did not have that $42 billion because we had to pay it to the Liberal interest debt they have built up.

The real threat to social spending is Liberal borrowing and deficit. It is not changing in this budget. If not now, when? Canadians and their children will remember the 1995 federal budget as the one which could have and should have but failed to provide a plan to ensure personal security in the years ahead. That it failed to do so will be seen as one of the greatest tragedies of the 35th Parliament.

• (1800)

Mr. Pat O'Brien (London—Middlesex, Lib.): Mr. Speaker, I listened to my colleague's comments. What she seems to ignore in her comments is the reaction from all the financial experts, both at home and abroad.

Almost universally the reaction to this budget from everyone except members of the Reform Party is very positive. In fact, in many glowing terms we hear how the finance minister has turned the corner on this country's debt and deficit problem. Yet the member says there should be no credit for the finance minister. I would remind the hon. member that for nine years the previous government was not able to meet its targets, yet this finance minister has done so two years in a row.

Quite frankly a misstatement was made that $25 billion is the ultimate goal of the finance minister. It is not even fair to say that on the floor of this House. The minister has been quoted publicly many times as stating that the ultimate goal is the total elimination of the deficit and debt. That is the ultimate goal. The minister has made that eminently clear. The research by the Reform Party seems to be awfully selective on these points.

Now to my question for the Reform Party member and the Reform members heckling as I speak. If there is such concern and compassion in the Reform Party for this country's social security system, why did the blue budget plan, the so–called taxpayers' budget of the Reform Party—if ever there was a misnomer that is one—slash so severely the seniors' pension plan? How can that be offered as some concern for the citizens of this country?

Mrs. Ablonczy: Mr. Speaker, I appreciate the points raised by my hon. friend opposite because they are important issues to address. They are ones that hon. members opposite are always using to justify their position. It is important that Canadians know it does not do that.

First of all, the reaction of the financial markets was positive. It is kind of sad, is it not, that financial markets are so used to governments that do not do anything that there is great relief when there are any cuts in our borrowing.

Not only that, my friends who work in the financial industry tell me that financial markets discount government actions. They are way ahead of government. They are weeks ahead of government and they discounted this budget long ago. They did

not do it the day after; they did it weeks before. That is how financial markets work. Those familiar with financial markets know that.

The hon. member brags that the government has reached its targets although previous governments have not. If you make your targets low, of course you will reach them. It is like a cigarette smoker who cuts back from two packs a day to a pack and a half and then says: "I am quitting smoking". He has a long way to go and so does this budget.

There is no plan to get to zero deficit in this budget. There is nice talk by the finance minister on the side that of course, yes, this is the ultimate goal. If it is a goal, there should be a plan. Instead, the government always refers to its red book target of a $25 billion dollar deficit which is huge.

Our plan is to cut social spending by $15 billion for the simple reason that if you do that, you get to zero borrowing. If you get to zero borrowing, the interest levels off. The interest gets flat. If you do not cut your borrowing, then the interest keeps rising. Once the interest levels off, you know you have the rest of your money to work with. However, if the interest keeps going up, then you have less and less money to work with every single year.

That is exactly what is going to happen under this plan. If members opposite think that cutting spending now to get to a zero deficit is bad, just wait until they see the cuts that will have to be made when our interest gets to $50 billion, $55 billion, $60 billion because this government will not take that kind of action.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, I appreciate the opportunity to speak on the budget. It is a budget that in the opinion of those who get past the initial media kowtowing, the interest group moaning and the Liberal back slapping, is dishonest. It is overrated. It is underachieving and hypocritical. It fails to attack the efficiency and the internal wastefulness of the federal government.

• (1805)

This budget deserves no praise. It lacks will. It lacks solutions. It is not an answer. It is only prolonging the inevitable demise of our social programs, our financial security and our way of life, including that of our children.

What the finance minister has done is altogether typically Liberal. He has made some token reductions which he thinks will placate voters. He has increased taxes in such a way that taxpayers will not know they are being hit hard. Furthermore, he has done some things that, had they been done by any other party with the Liberals in opposition, would have caused the Liberals to explode in outrage and violent criticism. That is the hypocrisy of this budget.

The Reform Party's taxpayers' budget laid out a series of reasonable, manageable cuts to transfers and established programs financing, cuts that would ensure long term health and the continuation of these programs. The Liberals assailed us, as the hon. member is doing right now. They accused us of being heartless, of being uncaring, of bashing the poor. What is the Liberal alternative to this imagined Reform Party heartlessness?

The Liberals will double the fees of refugee claimants. That is really something. That is without a doubt the most blatant hypocrisy I have ever seen from this government or that party. They have done nothing in any promise for the future.

Look at what is going on within the department of immigration. Look at those increased fees that are coming. For a moment, look at the increased fees and the recipients of those fees, the immigration department. If you take an honest look, you will come away with a very different impression about the seriousness of this government, the willingness of this government and the party across the aisle to make real change. You will come away with a very different impressior of the will of that party and the intestinal fortitude of the finance minister and especially the immigration minister.

There are two reasons the finance minister together with the immigration minister have decided to increase fees. One is stated and the other is not.

The stated reason is to raise revenue to offset the cuts. In other words, they want to bring more money into the coffers. Charge a little more up front and recover more of the costs of processing and resettlement, as the minister points out. Fair enough. Why should those who apply for immigrant status not pay their way? We are not objecting to that.

There is no good reason for the taxpayer to subsidize the processing of immigrant applications. Remember that if any other party had done this, the Liberals would have fallen all over themselves moaning about taxing the poor, charging more to those who are unable to pay.

The other reason for almost doubling the fees, the unstated reason that observers from both sides of the immigration debate recognize, is to quietly cull a certain percentage of the applicants for immigration. Changing the immigrant mix is a good idea certainly. Both the C.D. Howe Institute and the Fraser Institute agree with the Reform Party that we need to do that. However, doing it this way is cowardly and devious on the part of the Liberals.

An hon. member: Why?

Mr. Hanger: Because you are not stating the reasons.

The immigration minister has had all sorts of opportunities to make changes to immigration that make sense and that are honest but he will not do it. He has had every opportunity to save the Canadian taxpayers a huge amount of money through immigration reform. He did not do it. He would not. He does not have what it takes. If the minister wanted to save money for the taxpayer, he would have saved literally hundreds of millions of

dollars by taking some advice from the Reform Party on refugee determination in Canada.

A month ago, we released our proactive proposals for refugee determination. Those proposals, if enacted, would ensure that the refugee system was more fair to genuine refugees. That was our first goal. The proposal would have ensured that the system was more fair to the taxpayer by cutting back on legal aid and social services for people who had been refused as refugees and were appealing.

• (1810)

We proposed that the Immigration and Refugee Board, that $80 million a year hotbed of patronage, pork and foolish decision making be abolished. We proposed that a refugee determination system, which presently costs $1 billion or more a year to determine a handful of claims, be fundamentally restructured to reduce the number of bogus claims. Accept more genuine refugees from abroad. Doing so would have saved the taxpayers millions of dollars, but the minister would not hear of it.

Here is a short list of some other costs the immigration minister has been afraid to deal with. The total cost of the department has gone up from $581 million to $592 million. Do you call that cost cutting? The corporate service budget has increased from $33 million to an unbelievable $78 million. Is that the minister's idea of government efficiency, to double the budget in one year?

The cost of failed sponsorship is $700 million. Welfare for refugees as estimated in the Vancouver *Sun* a few days ago is $600 million. Teaching English or French and other settlement services for new immigrants costs $450 million. Quebec's gold plated immigration settlement program costs $90 million. No adjustments are made there at all, one year after another.

On top of all that the justice department will spend an additional $11.6 million on immigration and refugee cases. The Federal Court will spend an additional $11.9 million on handling refugee cases. The RCMP will have to allocate an additional $2.3 million to clean up the messes made by lousy immigration policies. There is $60 million in legal aid.

Of course, there was last year's stupid expenditures: $2,000 for a pizza party hosted by the minister; $2,000 for bookmarks with the minister's photo on them; $100,000 for office furniture for one member in the IRB; another $100,000 for a golden handshake to get rid of that member.

In light of all of these numbers, the increased user fees are just a drop in the bucket. Until this government and this immigration minister come to terms with the fact that Canada's immigration and refugee programs are so lax, so broad, so inefficient and so ridiculously generous as to cost Canadians up to $3 billion a year to accept and settle refugees and immigrants, we are just wasting time.

The government is tilting at windmills. If this government really wants to fix the immigration budget it should not jack up fees before it gets on top of the real problem: Liberal immigration policy. That is the problem.

I say to the people of Canada, to the media, to interested observers of Canada's immigration system around the world, that before they congratulate the finance minister and the immigration minister for taking tough action to fix a tough problem, before this back slapping gets too intense, tell me what is wrong with this picture.

A refugee claimant has just been paid $1,000. Now he sits before an $85,000 a year patronage appointee. Each hour of hearing and preparation time is being run up as a profit by his legal aid attorney. His acceptance is virtually guaranteed since the IRB is little more than an $80 million a year rubber stamp. If he is sick, there are no worries, he has a health card.

In the extremely unlikely event that he is found not to be a refugee, there are no worries. He will just ring up a few more hours for his legal aid attorney, appeal to the taxpayer funded courts, get another hearing before another $85,000 a year IRB member. After this charade has been carried on for three years, the minister gives him an automatic amnesty. It is not a bad deal for $975. Most of us would not even get inside the courtroom door for $975. The refugee claimant and his lawyer can tie up our courts for three years.

This is no exaggeration. Members may not like the illustration. They do not like it because they know it is true. The most tragic aspect of that scenario is that all the time this charade is being played out at the taxpayers' expense, the UN tells us that the most genuine refugees from overseas are being systematically ignored by countries like Canada. Refugees we could process more easily and far more cheaply are being ignored. These are genuine refugees.

People may start realizing now how much of an opportunity there was in 1995 to really rethink government and make fundamental changes. They will realize what a golden opportunity there was to make things work better. Then they will wake up to what was not done and they will be sorely disappointed.

The Deputy Speaker: It being 6.15 p.m., it is my duty to interrupt the proceedings and put forthwith every question necessary to dispose of the amendment to the amendment now before the House.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: Call in the members.

(The House divided on the amendment to the amendment, which was negatived on the following division:)

(*Division No. 165*)

YEAS

Members

Ablonczy
Breitkreuz (Yellowhead)
Bridgman
Chatters
Epp
Frazer
Grubel
Hanrahan
Harper (Simcoe Centre)
Hart
Hermanson
Hoeppner
Johnston
Mayfield
Mills (Red Deer)
Ramsay
Schmidt
Solberg
Strahl
Wayne
Williams—41

Benoit
Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast)
Cummins
Forseth
Gouk
Hanger
Harper (Calgary West)
Harris
Hayes
Hill (Macleod)
Jennings
Manning
Meredith
Morrison
Ringma
Silye
Stinson
Thompson
White (North Vancouver)

NAYS

Members

Adams
Allmand
Assadourian
Augustine
Bachand
Barnes
Bellehumeur
Bergeron
Bertrand
Bevilacqua
Bodnar
Boudria
Brushett
Bélair
Bélisle
Calder
Cannis
Caron
Cauchon
Chan
Chrétien (Saint-Maurice)
Cohen
Collins
Cowling
Crête
Dalphond-Guiral
Debien
Dhaliwal
Dromisky

Alcock
Arseneault
Asselin
Axworthy (Winnipeg South Centre)
Bakopanos
Beaumier
Bellemare
Bernier (Mégantic—Compton—Stanstead)
Bethel
Blondin-Andrew
Bonin
Brown (Oakville—Milton)
Bryden
Bélanger
Caccia
Campbell
Canuel
Catterall
Chamberlain
Chrétien (Frontenac)
Clancy
Collenette
Copps
Crawford
Culbert
Daviault
DeVillers
Discepola
Duceppe

Duhamel
Easter
English
Fillion
Finlay
Fry
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gallaway
Gerrard
Godin
Graham
Grose
Guay
Harb
Hubbard
Irwin
Jacob
Kilger (Stormont—Dundas)
Knutson
Landry
Laurin
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Leroux (Richmond—Wolfe)
Lincoln
Loubier
MacDonald
Maheu
Maloney
Marchand
Marleau
Massé
McGuire
McLellan (Edmonton Northwest)
Mifflin
Mills (Broadview—Greenwood)
Mitchell
Murray
Nault
Nunziata
O'Reilly
Pagtakhan
Parrish
Payne
Peterson
Pickard (Essex—Kent)
Reed
Richardson
Ringuette-Maltais
Robillard
Rompkey
Serré
Skoke
Speller
St. Denis
Stewart (Northumberland)
Telegdi
Thalheimer
Torsney
Tremblay (Rosemont)
Valeri
Verran
Walker
Wells
Young

Dupuy
Eggleton
Fewchuk
Finestone
Fontana
Gagliano
Gagnon (Québec)
Gauthier (Roberval)
Godfrey
Goodale
Gray (Windsor West)
Guarnieri
Guimond
Harvard
Iftody
Jackson
Jordan
Kirkby
Kraft Sloan
Lastewka
Lavigne (Verdun—Saint-Paul)
Lee
Leroux (Shefford)
Loney
MacAulay
MacLellan (Cape/Cap-Breton—The Sydneys)
Malhi
Manley
Marchi
Martin (LaSalle—Émard)
McCormick
McKinnon
McWhinney
Milliken
Minna
Murphy
Ménard
Nunez
O'Brien
Ouellet
Paradis
Patry
Peric
Picard (Drummond)
Proud
Regan
Rideout
Robichaud
Robinson
Scott (Fredericton—York—Sunbury)
Simmons
Solomon
St-Laurent
Steckle
Szabo
Terrana
Tobin
Tremblay (Rimouski—Témiscouata)
Ur
Vanclief
Volpe
Wappel
Whelan
Zed—186

PAIRED MEMBERS

Anderson
Bouchard
Deshaies
Flis
Langlois
MacLaren
Peters
Rock
Wood

Bergeron
Brien
Dumas
Lalonde
Lavigne (Beauharnois—Salaberry)
McKinnon
Pillitteri
Stewart (Brant)
de Savoye

• (1845)

The Deputy Speaker: I declare the amendment to the amendment defeated.

ADJOURNMENT PROCEEDINGS

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

GUN CONTROL

Hon. Warren Allmand (Notre–Dame–de–Grâce, Lib.): Mr. Speaker, on February 10, I asked the Minister of Justice if he would ban two new hyper–destructive handgun bullets developed in the United States. One of these bullets was designed to do maximum damage to human tissue, while the second could penetrate body armour. We are told this rhino ammunition, as it is called, is designed to break into thousands of razor–like fragments when it hits flesh. The creator of these bullets stated that: "These fragments become lethal shrapnel as they are hurled into vital organs, lungs, circulatory system components, the heart and other tissues. The wound channel becomes catastrophic and death is nearly instantaneous".

• (1850)

I was pleased with the answer given to me by the Minister of Justice when he told the House that these two new types of ammunition had been banned in Canada. However this incident reminded us that if we are serious about gun control, we must also control ammunition. Without ammunition, you cannot do too much damage with guns.

It is especially important when you consider that 65,000 guns have been lost or stolen since 1974. The RCMP report that about 3,000 are lost or stolen each year. If you cannot get the ammunition with which to use a stolen gun, then you might be preventing a crime from taking place. That is why it is so important to control ammunition.

I would like to ask the government tonight whether in the new legislation which is before the House—I have examined the said legislation—it is correct that in order to buy ammunition in the future, a person will require a firearms possession certificate or a firearms registration certificate.

I ask this because in some of the publicity material accompanying the bill, there was a suggestion that a person might be able to buy ammunition simply with a driver's licence. I could not accept that but since it will be necessary to obtain a firearms possession certificate or require one to own, use or purchase a gun then I do not see why it could not be presented as well when purchasing ammunition.

I would like to have some clarification on that.

Mr. Russell MacLellan (Parliamentary Secretary to Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, last December newspapers reported that a United States company had produced two highly destructive bullets; the black rhino, a plastic bullet allegedly capable of piercing armour and the rhino–ammo, a highly fragmenting bullet designed to cause maximum damage to human tissue.

Government officials have been in contact with U.S. officials and in fact the black rhino does not exist and technical experts highly doubt that an armour piercing plastic bullet could be produced.

As regards the rhino ammo bullets, the potential destructiveness was highly inflated and in fact they resemble hollow point bullets currently available in the United States markets and under limited conditions in Canada.

Armour piercing and exploding or incendiary cartridges are now prohibited in Canada and have been since October 1, 1992 under prohibition order number 10. The possession, sale or import of such ammunition is subject to Criminal Code penalties of up to 10 years.

I want to particularly address the question of the hon. member with respect to how ammunition is to be purchased. To purchase ammunition, it will be required to have the registration certificate once the registration certificate period of five years ending December 31, 2003 has elapsed.

Until then everybody may not have a registration certificate. In the interim, where possible it will be the requirement to provide another certificate, a driver's licence or perhaps a firearms acquisition certificate. This is yet to be determined exactly but there will be requirements.

This will be brought forward and stipulated in the regulations.

TOURISM

Mr. Derek Wells (South Shore, Lib.): Mr. Speaker, I welcome the opportunity to expand on my question of February 24 to the Parliamentary Secretary to the Minister of Industry on the matter of tourism.

Tourism plays a major role in the lives of my constituents on the south shore of Nova Scotia. It is important that tourism continue to be promoted as it is serving to revitalize communities that have been devastated by the downturn in the fishery.

• (1855)

In the South Shore tourism generates $100 million annually while providing employment for thousands of people. It is an industry that can and will play a leading role in the economic recovery of my area.

For instance, in 1994 the South Shore experienced a 20 per cent increase in room sales. This was the largest percentage increase in Nova Scotia. More than 127,000 people signed guest books at the South Shore tourist bureaus. This represented an increase of 19 per cent over 1993. The South Shore is popular but it has potential to be even more so. I say this because 30 per cent of visitors were from inside the province of Nova Scotia, 29 per cent were from other parts of Canada, 28 per cent were from the United States and 5 per cent were international visitors.

There is so much to see and do along the South Shore. I am partial to the charms of Chester, having chosen to settle down there over 20 years ago. There is colourful Lunenburg, home of the *Bluenose* and the Fisheries Museum of the Atlantic currently seeking a designation of world heritage status. There is Oak Island with its hidden treasure which is celebrating its 200th anniversary this year.

In Queens county there are spectacular white sandy beaches and several ecotourism sites, including the Keji seaside adjunct and the bird sanctuary in Port Joli. These treasures have been left largely untouched for the public to enjoy. At the western end of my riding is Shelburne with its historic waterfront which is gaining a good reputation as a destination for movie makers.

As a representative for an area like the South Shore, I am sure members can understand that I was pleased to hear the Prime Minister announce last fall that he had accepted the recommendations made by his special advisor on tourism. The creation of the Canadian tourism committee and the allocation of base funding totalling $50 million certainly has the potential to allow for effective marketing of Canada at home and abroad. I do, however, have some concerns about how this is all going to work.

First, in addition to the very successful South Shore Tourism Association, there are many local tourism committees that have been established to formulate strategies to increase the amount of tourism traffic in their respective areas. I am constantly being asked if and how they can access this tourism promotion money. I am having difficulty answering these questions because that has never been made clear. Media reports make it sound like there is a pot of money for these people to access. Yet the material I have received is vague on how the money will be allocated.

Second, I would be interested to know how the Canadian tourism commission will benefit rural areas like mine when to date efforts seem to be rather metro driven. Will the interests of small businesses, which comprise a large proportion of the tourism industry, be appropriately represented?

Finally, I am concerned about an overlap of effort. The Canadian tourism commission seems to be just a larger scale version of the Atlantic Canada tourism partnership which was established in late 1993. I would hope that these groups will be working together rather than at cross purposes.

In closing, I would like to reiterate that I support the intent behind the establishment of this commission. Because I have seen the positive benefits that tourism can have in an area, I want to see Canada eliminate its tourism deficit. However, first I want specifics on how this will be done.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I would like to thank the member for South Shore for his question and also his keen interest in a sector of our economy that has been sadly neglected over the last 10 to 15 years.

The tourism industry is a sector of our economy which, after automotive, employs more Canadians than any other sector. This government has made a serious commitment to not only maintaining but virtually quadrupling the tourism budget.

We did not just quadruple the budget, we also gave guidelines and said to the Canadian tourism commission that we wanted this money to be levered, joint ventured. In other words, it is not Industry Canada and the tourism team going out and doing work on their own. It is this commission which is made up of private sector experts from the tourism industry from all over Canada. The Minister of Industry appointed these people on February 1.

I have to say to the member for South Shore that this is a new commission and no doubt there will be some glitches until we get it operating perfectly. If the member, in his community of South Shore, is having difficulty in partnering or accessing his tourism operators with the commission, I would invite him to come to the House of Commons industry committee. About two weeks from now the executive of the Canadian Tourism Commission will appear before the committee. We will deal with the overall plan and objectives but, more important, we will deal with the specific concerns and the specific challenges the member for South Shore raised this evening.

• (1900)

I do not want to suggest that at the moment the commission has all of the answers. It is a new commission. It is a new experiment where we are partnering with the private sector.

However I invite the member to the committee. His specific concerns will be addressed. There is great hope for this sector putting Canadians back to work, which is the number one responsibility of the government.

[*Translation*]

THE BUDGET

Mr. Jean–Guy Chrétien (Frontenac, BQ): Mr. Speaker, I rise now at the end of the day to point out that, in my question of February 28, I spoke of the gross injustice in the budget which the Minister of Finance brought down this Monday.

To clearly define this injustice, I would like to repeat part of the question I put to the Hon. Minister of Finance this week. My question was for the finance minister and was more or less as follows: Yesterday, the finance minister announced that grain transportation subsidies would be eliminated, adding that a generous compensation of close to $3 billion, which includes direct subsidies, would be given to western producers.

I have done some research since then and have in fact found that grain producers in the west, and only in the west, would be offered between $15 and $18 per acre, or an average of some $15,000 to $18,000 per grain producer.

Of course, the Crow rate was intended for grain transportation from point A to point B, with point B located near the ocean, most often in Vancouver. Looking again at WGTA issue, we found that many producers stockpiled their grain in railway hopper cars. The railway cars went to Thunder Bay to be eligible for the subsidy before returning to Vancouver. This was costly to the government.

I would like to talk about the unjust and unfair way that farmers in the east of the country have been treated. On the one hand, the government cuts $560 million in subsidies to farmers in the west and, to clear its conscience, offers them a compensation package of close to $3 billion to help them diversify their crops; on the other hand, in the same budget, it trims industrial milk subsidies by 30 per cent.

I did my math and realized that a 30 per cent cut will result in losses. As we all well know, Quebec and Ontario produce 80 per cent of Canada's industrial milk and the cut will result in losses of anywhere from three to five thousand dollars. What compensation will farmers in the east get from the Liberal government? None.

This inequity in the budget is noteworthy, and I expect an explanation now and not a canned response.

[*English*]

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri–food, Lib.): Mr. Speaker, I appreciate the opportunity to comment on the question of the member for Frontenac.

Yes, the annual $560 million western grain transportation subsidy is being completely eliminated on August 1. However I point out to the hon. member—and I know he realizes it—that the dairy subsidy is only being reduced by 15 per cent this year and 15 per cent next year. As of August 1, 85 per cent of that support will still be there.

Eliminating the so–called Crow subsidy addresses a long-standing equity concern that has been raised by eastern farmers. The adjustment package reflects the potential impact of eliminating a 96–year old commitment to the western grain sector.

In addition to the $1.6 billion, a multi–year adjustment package of $300 million is being put in place to facilitate the transition to a more efficient transportation system. The amount is not excessive. It is necessary to help grain producers adapt to the change and to compete effectively in international markets against subsidized foreign competition.

It is important to note the dairy industry does not face international competition because of supply management for 90 per cent of its production. Equally important, this government package of reforms to grain transportation is consistent with the position set out by the Quebec coalition on the WGTA.

The package of reforms is fair and balanced with respect to the different situations in different regions and different sectors. Everyone has done his or her share in contributing to deficit reduction. The government does not have a double standard as the hon. member for Frontenac has suggested. It is not true.

Rather, through the budget we offered all Canadians a single standard to strive for that will ensure future growth of the agriculture sector and maintain our competitiveness on the global field.

[*Translation*]

The Deputy Speaker: It being 7.10 p.m., the House stands adjourned until 10 a.m. tomorrow, pursuant to Standing Order 24(1).

(The House adjourned at 7.07 p.m.)

HOUSE OF COMMONS

Thursday, March 2, 1995

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

SUPPLEMENTARY ESTIMATES (D), 1994–95

A message from His Excellency the Governor General transmitting supplementary estimates (D) for the financial year ending March 31, 1995, was presented by the President of the Treasury Board and read by the Speaker to the House.

REFERENCE TO STANDING COMMITTEES

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Madam Speaker, pursuant to Standing Order 81(5) and 81(6), I wish to introduce a motion concerning the referral of the estimates to the standing committees of the House.

There is a lengthy list associated with the motion. If it is agreeable to the House I would ask that the list be printed in *Hansard* as if it had been read.

The Acting Speaker (Mrs. Maheu): Is that agreed?

Some hon. members: Agreed.

Mr. Eggleton: Madam Speaker, I wish to move:

That supplementary estimates (D) for the fiscal year ending March 31, 1995, laid upon the table this day, be referred to several standing committees of the House in accordance with the detailed allocation that is attached.

The Speaker: Is that agreed?

Some hon. members: Agreed.

[*Editor's Note: List referred to above is as follows:*]

To the Standing Committee on Aboriginal Affairs and Indian Affairs and Northern Development
Indian Affairs and Northen Development, Votes 1d, 6d, 7d, 8d, 10d, 15d, L21d, L25d, 35d, 36d, 40d, 45d and 50d.

To the Standing Committee on Agriculture and Agri–Food
Agriculture and Agri–Food, Votes 1d, 5d, 6d, 10d and 15d.

To the Standing Committee on Canadian Heritage
Canadian Heritage, Votes 1d, 5d, 10d, 15d, 30d, 35d, 40d, 50d, L61d, 75d, 85d, 100d, 115d, 121d, 125d, 145d and 150d.

To the Standing Committee on Citizenship and Immigration
Citizenship and Immigration, Votes 5d and 10d.

To the Standing Committee on Environment and Sustainable Development
Environment, Votes 1d and 10d.
Privy Council, Vote 28d.

To the Standing Committee on Finance
Finance, Votes 1d, L5d, 27d, 30d and 40d.
National Revenue, Votes 1d, 5d, 10d, 15d and 20d.

To the Standing Committee on Fisheries and Oceans
Fisheries and Oceans, Votes 10d and 15d.

To the Standing Committee on Foreign Affairs and International Trade
Foreign Affairs, Votes 1d, 2d, 5d, 10d, 20d, 25d and 26d.

To the Standing Committee on Government Operations
Governor General, Vote 1d.
Public Works and Government Services, Votes 15d, 20d, 21d, 22d, 23d, 24d and 25d.
Treasury Board, Vote 6d.

To the Standing Committee on Health
Health, Votes 5d, 10d and 20d.

To the Standing Committee on Human Resources Development
Human Resources Development, Votes 1d, 5d, 10d, 15d, 20d, 30d, 35d, 40d and 45d.

To the Standing Committee on Human Rights and Status of Disabled Persons
Justice, Vote 15d.

To the Standing Committee on Industry
Atlantic Canada Opportunities Agency, Vote 1d.
Finance, Vote 45d.
Industry, Votes 1d, 45d, 60d, 70d, 75d, 80d, 85d and 95d.

To the Standing Committee on Justice and Legal Affairs
Justice, Votes 1d, 10d, 20d, 25d, 35d and 45d.
Solicitor General, Votes 1d, 15d, 20d, 25d, 35d, 40d and 45d.

To the Standing Committee on National Defence and Veterans Affairs
National Defence, Vote 1d.
Veterans Affairs, Votes 10d and 15d.

To the Standing Committee on Natural Resources
Natural Resources, Votes 1d, 2d, 3d, 10d, 30d and 40d.

To the Standing Committee on Procedure and House Affairs
Parliament, Vote 5d.
Privy Council, Vote 20d.

To the Standing Committee on Transport
Privy Council, Vote 15d.
Transport, Votes 1d, 10d, 38d, 40d and 45d.

To the Standing Joint Committee on the Library of Parliament
Parliament, Vote 10d.

To the Standing Joint Committee on Official Languages
Privy Council, Vote 25d.

(Motion agreed to.)

* * *

PETITIONS

MINING

Mr. Morris Bodnar (Saskatoon—Dundurn, Lib.): Madam Speaker, I have three petitions today.

The first with 184 signators is a petition of the mining industry calling on Parliament to take action that will help the mining industry to grow and thus improve employment in this sector, promote exploration, rebuild Canada's mineral reserves, sustain mining communities and keep mining in Canada.

HUMAN RIGHTS

Mr. Morris Bodnar (Saskatoon—Dundurn, Lib.): Madam Speaker, the next petition has 32 signators.

The petitioners request that Parliament not amend the human rights code, the Canadian Human Rights Act or the charter of rights and freedoms in any way that would tend to indicate societal approval of same sex relationships or of homosexuality.

CANADIAN WHEAT BOARD

Mr. Morris Bodnar (Saskatoon—Dundurn, Lib.): Madam Speaker, the third petition has 37 signators. They request that Parliament continue to give the Canadian Wheat Board monopoly powers in marketing wheat and barley for export.

YOUNG OFFENDERS ACT

Mr. Jim Silye (Calgary Centre, Ref.): Madam Speaker, I am pleased to rise to present a petition on behalf of 213 Calgarians which I understand is one of several that has been presented to equal 64,000 names.

It calls on the government to toughen the Young Offenders Act. Many Canadians share the view that the act is not meeting its main objective of deterring young people from committing crimes.

ASSISTED SUICIDE

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Madam Speaker, pursuant to Standing Order 36, I have a petition to table asking that Parliament not revoke section 241 of the Criminal Code and to continue to forbid assisted suicide and euthanasia.

The petition is signed by 223 signatories, bringing the total signatures thus far to 23,186.

YOUNG OFFENDERS ACT

Mr. Leon E. Benoit (Vegreville, Ref.): Madam Speaker, pursuant to Standing Order 36, I have the honour on behalf of the constituents of Vegreville and Alberta to table petitions in the House.

The petitioners request that Parliament amend the Criminal Code and the Young Offenders Act to deter young people from committing crime and making the Young Offenders Act tough enough to provide real justice. I understand several petitions are being presented totalling approximately 64,00 signatures.

• (1010)

I would also like to recognize Caroline Balisky of Concerned Citizens for her work in compiling these petitions.

BILL C-41

Hon. Audrey McLaughlin (Yukon, NDP): Madam Speaker, I am presenting a petition today on behalf of 62 petitioners from the Yukon.

They call for the deletion of section 718.2 in Bill C-41. The petitioners feel this section gives undue attention and unequal treatment on the basis of sexual orientation.

I would also add respectfully, that I personally do not agree with this petition. In fact, the Yukon Human Rights Code gives more rights to people.

ASSISTED SUICIDE

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Madam Speaker, I have three petitions to present.

The first is signed by constituents of Capilano—Howe Sound requesting that the House ensure the enforcement of the present provisions of the Criminal Code prohibiting doctor assisted suicide and that Parliament make no changes in support of euthanasia.

BILL C-41

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Madam Speaker, the second petition asks the House to exclude the phrase sexual orientation from Bill C-41.

INCOME TAX

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Madam Speaker, the third petition is a very thick set of papers. The petitioners urge strongly that the House reduce spending rather than increase taxes.

YOUNG OFFENDERS ACT

Mr. Dale Johnston (Wetaskiwin, Ref.): Madam Speaker, pursuant to Standing Order 31, it is my pleasure to present a petition of some 55 pages.

It states that since Canadians from coast to coast are calling for changes to the Young Offenders Act, the petitioners want the act changed to become serious enough to deter young people from committing crimes and tough enough to provide real justice.

Therefore, they request and pray that Parliament will amend the Criminal Code of Canada and the Young Offenders Act of 1992 to comply with this petition.

Mr. Cliff Breitkreuz (Yellowhead, Ref.): Madam Speaker, I rise to present a petition on behalf of almost 2,500 Alberta residents, the majority of whom are from Yellowhead.

The petitioners request that Parliament amend the Young Offenders Act so that it is tough enough to provide real justice to deter young people from committing crimes.

This petition is one of several from Alberta totalling approximately 64,000 names.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Acting Speaker (Mrs. Maheu): Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1995–96

Hon. Sergio Marchi (for the Minister of Finance) moved that Bill C–73, an act to provide borrowing authority for the fiscal year beginning on April 1, 1995, be read the second time and referred to a committee.

He said: Madam Speaker, it is a pleasure to take part in this historic budget debate, specifically Bill C–73, which will give borrowing authority and put into effect the measures announced by the government and the Minister of Finance on Monday evening.

I start by paying tribute to my colleague and friend, the Minister of Finance, whose budget is cradled in that wellspring of traditional Canadian thought and liberalism, compassion and integrity. His statement reflects both those important values and principles. It is a clear example of the difference between management and leadership. A manager only imitates, while a leader initiates.

• (1015)

Everyone in this country has a part to play in this economic plan, in this blueprint. We are all making sacrifices. Those who work in the public service across our country; the farmers who work the land; those who fish the seas; business people who run our shops and factories; and Canadian families every day of the week across this country, all of them are making sacrifices. That is an important principle of the fairness and equity which provides a sturdy foundation to the budget put before this Chamber by the Liberal government.

Newcomers to the Canadian family will also contribute their share to this process of nation building in the form of a landing fee, not a head tax. The landing fee will be put toward the services that help them integrate into Canadian society.

This fee is not a barrier at our borders but simply a fee that is fair and just. It is not meant to control or regulate those who come to Canada. Rather it is an effort to secure the value and tradition of settlement integration programs in Canada. It is uniquely Canadian and very much different from how things are done in the United States for instance where there is no settlement, no integration and no language training.

I ask what cost a society pays for not having a system up front that not only welcomes newcomers but integrates them into the Canadian family and then sees them flourish and move upward. Newcomers can be business people, business leaders, members of Parliament, social workers, professors, Canadians like all of us. That is the difference and it is unique to this country. This government feels it is worth the price of preserving a system that not only works for the newcomers but works for this country.

How we deliver those services will be the subject of ongoing discussions with our partners in the provinces, the municipalities and the non–governmental organizations who help deliver those settlement services. And yes, there will be discussions with those who need and would make use of those services.

It is within the context of fairness and the necessity for compassion, integrity and the need to do things better and still show fiscal responsibility that this government moves forward. Today, the government is announcing a plan to streamline Canada's process for identifying refugees who need this country's protection. In doing so, the refugee determination system will become fairer, faster and more cost effective. Canada needs these changes.

The immigration and refugee discussion is one of the more controversial and difficult public policy issues faced in this Chamber and across the country. We all hear it. We discuss it in our riding offices, in the coffee shops or on the steps of our places of worship.

This planet is awash with people on the move. Yes, I know that in the dry environment of statistics it is very easy to pluck numbers from tables, charts and graphs. However, when the United Nations catalogues the movement of more than 125 million people in one year and notes that of these, 23 million

happen to be refugees, the human mind balks and stutters at the numbers. The more staggering the figure, the more difficulty we have in comprehending it.

Let me put it into perspective. We are talking about five metropolitan Torontos, ten Vancouvers. Even more simply, more than three times the entire population of Canada is on the move worldwide every year. Of course, these are not just numbers; they are men, women and children. The vast majority of refugees indeed are women and young children.

• (1020)

Refugees are the unfortunate but horribly logical consequence of a world wrestling with overpopulation, underdevelopment and politics coming from the end of a machete or out of the barrel of a gun.

There are those within the sound of my voice who by utterance, deed or innuendo have tried to make refugee a dirty word. This government and I believe the Canadian people will have none of that. Why? Because it touches on our national soul, our very sense of ourselves as a nation and as a people. So we ask ourselves: Who is that refugee? Who is that stranger among us?

Make no mistake. Canada has greeted refugees just two steps ahead of the death squads. They are people like the brave women who testified against war criminals and war atrocities in the Balkans. Otto Jelinek who served with honour in the cabinet of previous governments was a refugee. I look across the aisle at the critic from Her Majesty's loyal opposition, a refugee from Chile.

Refugees seek Canada for protection, not for charity. Canada has a record in which we can all take pride. At the same time let us not sound too altruistic because there has been a major benefit to Canada as well. We should never forget that this is very much a win–win situation. Canada is good to immigrants and refugees seeking a home, but those newcomers and eventual Canadian citizens of all persuasions are equally loyal and fiercely defend this country from sea to sea.

Yes, we want to continue to be humanitarian but we also refuse to be taken for granted. Our focus was, is and will be on resettlement. We reject outright the standards of some nations where ethnic backgrounds and ethnic backgrounds alone allow access to citizenship. That would never be the Canadian way.

Today, if we take a breath and look at the world around us, there can be some cause for worry and concern. We are vulnerable to the pressures from outside our control which can overwhelm and swamp our immigration and refugee processing systems with very little advanced warning or notice.

Canada is not alone. At this moment, western Europe is pulsating with people on the move. The figures are mind boggling. In 1993 for instance, Germany received 425,000 refugees seeking a roof over their heads. Last year the Netherlands took in 55,000 refugees. The U.S. has millions of illegal residents and has a backlog of 425,000 refugee claimants.

The world needs to work together. Quite frankly, it needs to work together in a better and more interconnected way so that we can come to grips with this massive migration, not exclusively to one country or a few countries, but all over the globe.

• (1025)

That is one reason Canada is working diligently to reach an agreement with the United States and other nations. It would stop or discourage so–called asylum shopping while maintaining and ensuring protection for those in need.

Just last week we moved closer to that reality. Our Prime Minister and the President of the United States announced an accord to improve border management. Within six months, we are to pursue negotiations on a memorandum of understanding between our two countries built on the integrity of our system and protection for those who deserve it.

An integral part of our refugee policy and program is the Immigration and Refugee Board. Since its creation in 1989 the board has evolved and matured. Its goals are to identify those in need of Canada's protection as convention refugees and to adjudicate as well all immigration appeals and inquiries.

The board's challenge has been to do that fairly and effectively in the face of changing world conditions. The IRB decision making process operates at arm's length from government. We intend to maintain it just that way.

There has been criticism directed at the board. There is no attempt on my part here today to minimize or downplay the worries or concerns of our fellow citizens.

[*Translation*]

This government has made changes and adjustments to Canada's refugee policy. We recently improved the adjustment assistance program.

You also probably know that at one time refugee claimants were not allowed to work while awaiting processing. Our government changed that last year in order to alleviate the burden on social services.

In addition, we are working with a number of municipalities to prevent duplication of services and multiple claims. This House recently gave third reading to Bill C–44, which will provide us with the means to address the case of criminals who, while few in number, have the potential to undermine our Canadian system.

[*English*]

Canadians must have faith in their system. This government has listened to their concerns and we have moved quickly, but those changes are not enough.

First, the report by Professor James Hathaway signalled a commitment to change, to improvements. In response a number of administrative and management changes will be announced tomorrow by the chairperson of the IRB as she is responsible and justifiably so, for the day to day management and operations of the IRB.

Because of the importance of this entire issue it might be an opportune time for the Standing Committee on Citizenship and Immigration to invite the chair of the IRB to meet with them. They could not only explore and discuss some of the changes and adaptations that she and the IRB will be announcing tomorrow, but they could also look into the workings of the board in the fulsome of time and study.

Second, there are a number of policy and legislative changes that the government will make to the Immigration and Refugee Board. This is a straightforward matter of getting government right. There has been agency and program review and the IRB is part of that. Part of my job is to detail the policy and legislative changes to the IRB which we believe are needed to make it run more effectively and make better use of the taxpayers' dollars, while maintaining the integrity of the Canadian borders.

• (1030)

The government realized there was concern over methods of appointments to the board and to some extent over the quality and consistency of the decisions. We also knew that the in Canada refugee determination system had to be streamlined to keep pace with both fiscal restraint and world developments. It is our belief there is a remedy at hand which involves both policy and legislative changes.

In this regard the government has decided to reduce the panel size for refugee hearings from two board members to one. The reduction in the refugee division members from 175 to approximately 112 will lead to an annual savings of almost $6 million. Consistent with the strategic plan that I announced in November in the House, the savings will be targeted to helping refugees.

The appointment process for panel members has been cause for some concern. Again the government recognizes this point and as a result we have decided to establish an independent advisory committee to examine the qualification of all candidates for the Immigration and Refugee Board. The advisory committee will ensure that only qualified candidates are recommended to the government for appointment. The committee will be responsible for ensuring that a balance is met between the board's objective standards and an increasing public demand for more political accountability.

We want the top candidates for the job. It is mandatory that the best people are named to the board, because the reduction in panel size requires unquestioned and unflinching competence from every board member. This new process will be applicable to new appointments in the future.

I am also pleased to announce that Gordon Fairweather has agreed to be the chairperson of the advisory committee. As a former Conservative member of Parliament, chair of the Immigration and Refugee Board and international human rights advocate, we believe he is ideally suited for the job.

Today the government is also filling two vacant and key positions at the Immigration and Refugee Board, that of deputy chair and executive director. The new deputy chair will be Mr. John Frecker, while the duties of the executive director will be assumed by Mr. Jean–Guy Fleury.

As I mentioned earlier, there are savings in the new procedure. Our target date for full implementation is January 1996. We expect to realize annual savings of $5.7 million by 1997. In the estimates before the House and its committees, the IRB has also put on the table savings of some $6 million in addition to the savings I have announced today.

The board is not only part of the program and budget review process. It is also sensitive that it too must become a partner in putting the finances of the country first and the integrity of the system on the same level playing field. Most of the money will be utilized for settlement of refugees from abroad. We can see that this is not a project merely to camouflage cost savings so government can pocket the money.

I have a real sense that although they mean well some would build walls and allow only hand–picked refugees into our country. It is our obligation under the Geneva convention not to send back legitimate refugees. This is a country and this is a government which live up to their obligations. We are good citizens of the world and world leaders. It is not me as minister bragging that we are world leaders; it is people around the globe and the United Nations High Commissioner for Refugees telling us.

• (1035)

Three days ago I met with Mr. Chefeke, director of the UNHCR bureau for all the Americas, and apprised him of the government's plans. I am pleased to confirm that he is very supportive of the changes we are bringing forward this morning. Canada and the UNHCR have long been partners and friends. It has always been thus and it will continue to be that way.

In closing, let me hearken back to the Governor General's installation message when he asked us to give good news a chance. His Excellency noted that we were all immigrants to this land; it was just that some came sooner than others. He paid special tribute to the refugees of recent years and special tribute to the communities that opened their arms and their hearts and adopted the refugees. He told us how they came with their hands

empty, forlorn of everything except their hopes, and how through effort and hard work they flourished.

More of these people will come. We have the will and we have the way.

[*Translation*]

Mr. Bellehumeur: I rise on a point of order, Madam Speaker, because the minister used his speech— I did not interrupt out of politeness—on Bill C–73, an act to provide borrowing authority for the fiscal year beginning on April 1, 1995, to make announcements—

The Acting Speaker (Mrs. Maheu): Order.

Mr. Bellehumeur: Madam Speaker, at least let me finish.

The Acting Speaker (Mrs. Maheu): Order. I just want to advise the hon. member that, speaking on a bill dealing with such matters as borrowing authority, the government can raise just about any issue directly or indirectly related to public finances.

The hon. member for Kindersley—Lloydminster has the floor.

[*English*]

Mr. Hermanson: Madam Speaker, I rise on a point of order. The Standing Orders have some descriptions of Statements by Ministers. What we have just heard more aptly fits the description of a ministerial statement under citations 348 and 349.

The Acting Speaker (Mrs. Maheu): As I stated earlier, on a bill such as Bill C–73 respecting the borrowing authority, the government may discuss any of its dossier.

Mr. Boudria: Madam Speaker, I wish to respond very briefly to the point of order.

The Chair is quite correct. The government does not attempt by a point of order to censor opposition or any criticism toward a government borrowing bill either to increase or decrease expenditures, alter them, initiate a government program, cancel one and so on, or advocate any such change. Similarly when a government member, a member of the ministry or another member, speaks on the borrowing bill he or she has exactly the same latitude as an opposition member would have.

You are quite correct, Madam Speaker, in the way you have assessed it. It is definitely the way such bills have been handled in the past.

[*Translation*]

The Acting Speaker (Mrs. Maheu): Before giving the floor to the hon. member, I would remind the House that a bill respecting borrowing authority is indeed a continuation of our budget debate.

[*English*]

Unless the hon. member for Kindersley—Lloydminster is seeking the floor on another point of order I will continue with debate.

• (1040)

Mr. Hermanson: Madam Speaker, I am agreeing with your position. What I am asking is for unanimous consent of the House to allow a 10–minute question and comment period in light of the fact that this was more along the lines of a ministerial statement where there is a chance for the opposition parties to respond.

I believe the government would be open enough to allow a question and comment period. I am just asking for unanimous consent.

The Acting Speaker (Mrs. Maheu): The House has heard the request by the hon. member for Kindersley—Lloydminster. Do we have unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

[*Translation*]

Mr. Duceppe: I am entitled to have the floor to ask questions.

The Acting Speaker (Mrs. Maheu): Order. The Chair has ruled on this point of order. Is the hon. Opposition Whip rising on a separate point of order?

Mr. Duceppe: Madam Speaker, just a comment. I think that you are quite right: the minister was in order. It is just that what he did lacks class. Thank you.

The Acting Speaker (Mrs. Maheu): I am sorry, but this is not a point of order.

Mr. René Laurin (Joliette, BQ): Madam Speaker, I apologize for the frog in my throat this morning.

The Acting Speaker (Mrs. Maheu): Order. The hon. member for Joliette has the floor.

Mr. Laurin: Madam Speaker, thank you for your support. My voice being as it is this morning, I will have to ask my hon. colleagues to please be as quiet as possible if they want to be able to hear me.

When the budget is tabled at about this time every year, it always raises either fears or hopes in the population, some interest groups, the financial community and all walks of life depending on what is perceived as an improvement in our personal circumstances and whether individuals or organizations consider the latest budget will increase their tax burden or make their lives more difficult.

And each year, since Parliament was established I guess, the opposition has raised numerous questions during this budget preparation period to try to provide guidance to the government and point out where we would not want the budget to hit our most disadvantaged taxpayers. So, representations have been made for as long as there has been governments.

In the past 30 years however, this budget preparation period has become, in Canada and most provinces, but even more so in Quebec, a much greater source of anxiety because expectations are high. There is always a chance the federal government will use the budget to decentralize powers to the provinces and to give them the tax points that go with these powers, so that the provinces can better set their priorities, be it in education, occupational training, public health or social programs.

Finally, this whole period lets us hope for a better future. Unfortunately, budgets rarely come up to everyone's expectations and this one is no exception. Indeed, while some members of our society, some groups were reportedly pleased with the budget measures, others felt short–changed.

• (1045)

In any case, if I had to sum up the level of satisfaction derived from the budget, I, for one, would say first of all that the federal budget cuts in the wrong places. It launches a full–scale attack against the most disadvantaged and slashes social programs, unemployment insurance and the public service. It hardly touches the wealthiest, for example by sparing tax shelters and profits made by banks and large corporations. It does not cut deeply enough in places where fat remains, such as National Defence, business subsidies and duplication.

Second, it is easy to see that there is nothing at all for employment development in this budget. There are no recovery measures or job training. On the contrary, they are using the infrastructure program put in place last year by the same Liberal government to backtrack and reduce municipal subsidies.

In summary, it could be said that this budget is generally unfair, especially for Quebecers, in particular in the agricultural sector, in the area of national defence, and in terms of deficit decentralization and its impact on Quebec's economy.

In the few minutes available to me, I will elaborate on each of these points to try to explain how we arrived at this conclusion.

I said that the government picks on the most disadvantaged, as shown by its handling of social programs. The federal government contributes to social programs by transferring money to the provinces. Between 1994–95 and 1997–98, transfers for social assistance, health care and post–secondary education will go down from $17.3 billion to $10.3 billion. This 40 per cent cut will have a devastating impact on the most disadvantaged.

Next year, Quebec will lose $350 million, and cuts in transfers for post–secondary education could raise tuition fees by over 60 per cent and threaten free college education in Quebec, since the bill is always picked up by the taxpayer. In the short term, these increases would restrict access and lead to low education levels among the poorest, who cannot afford such exorbitant tuition fees.

As far as unemployment insurance is concerned, again this year, the government is cutting UI by 10 per cent. New legislation in the fall will once again slash UI by tightening eligibility requirements and reducing insurable amounts.

These drastic measures will hit those members of society who have trouble finding jobs and may well have to turn to provincially–funded social assistance if they no longer qualify for UI.

• (1050)

This is another form of offloading, since the government takes a UI beneficiary and sends him to the welfare roll. Of course, this means that the person comes under another jurisdiction, since unemployment insurance is a federal program, while social assistance is a provincial one.

Using a logic which I would call perverse, the Liberal government tells us that it considers the unemployed to be cheaters. However, Quebecers refuse to endorse such a view. Even more revolting is the fact that, while cuts are being made to the UI fund, that program shows a surplus of $2 billion and it is estimated that, by 1996, that surplus will exceed $5 billion. Yet, instead of taking that money to help the unemployed find jobs, the federal government uses that surplus to reduce its deficit. Again, this confirms that the government wants to reduce the deficit at the expense of the poor.

As regards the public service, the government intends to abolish 45,000 positions over the next three years. These cuts should be made in a fair manner, based on a prorated distribution between the various groups and also according to the number of federal public servants in each province.

The decision to go all out and cut 40,000 to 45,000 jobs is particularly illogical considering that the government continues to contract out work at an almost unacceptable level, to the tune of $7.7 billion annually, according to PSAC estimates.

In other words, what the government saves by reducing the number of public servants, it spends by contracting out work. As you know, contracting out work is a good way to reward friends of the party, something which is called patronage.

We agree that the government should cut the fat, but this streamlining exercise must not be done exclusively on the backs of public servants. There is fat in many areas, not just in the public service. I already mentioned the transportation services

used by members of this House and of the other place. Why have two services? Both houses could use the same service and save money in the process. I do not want to discuss every public account, but this is a striking example. I could mention many others.

Managers should also be let go, not just members of their staff. The cuts should be spread fairly between management and the employees. This is essential if the Liberal government is going to ensure fairness, as it claims to want to do.

According to the daily *Le Droit*, 114 managerial positions, out of 12,642, will be cut. This represents 0.9 per cent of all the cuts. By comparison, 2,508 clerical positions out of 40,145 will also be eliminated, which amounts to 6.2 per cent of the cuts. We can see clearly that the proposed cuts will affect seven times more clerical employees than managers, once again penalizing low income workers.

• (1055)

Cuts affecting the wealthy are also by far too timid. First, tax shelters. Nothing has been done about thousands of businesses that do not pay taxes. About 60,000 businesses that have shown a profit for the past few years are not paying taxes on those profits. This is not a matter of tax evasion or trying to manipulate the tax people. Under the current provisions of the act, these companies can take advantage of certain tax loopholes and make a profit without having to pay taxes on those profits.

The government has done nothing to change the 16 tax treaties signed with countries considered to be tax havens. The preferential treatment given by the Liberals to the wealthiest in this country is particularly obvious in the case of the notorious family trusts. The government has deferred taxing capital gains in family trusts until 1999. The Minister of Finance has refused to act on recommendations by the Bloc Quebecois to do something immediately about tax loopholes that deprive the federal government of hundreds of millions of dollars in tax revenue each year, mainly from Canada's wealthiest families.

I think we should recall certain statements made by members of this House when they were in the opposition. In 1992–93, the hon. member for Glengarry—Prescott—Russell had the following to say about family trusts: "The 21–year rule is the Robin Hood in reverse rule. It is designed specifically to give help to those who least need it. Why does one want to give an additional tax break to billionaires?" This is still the hon. member for Glengarry—Prescott—Russell: "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— It is simply bad and we should not renew those provisions at all". This was said on March 29, 1993. I am pleased to see the hon. member for Glengarry—Prescott—Russell is here to listen, and I hope he recognizes this quote.

Madam Speaker, there is a member of this House who occasionally sits in your chair, the hon. member for Edmonton Southeast, for whom I have every respect and who had the following to say on the same topic: "We should perhaps call it the comfort bill for family trust holders in Forest Hill Village, Rosedale, Upper Westmount, Park Lake Circle and perhaps parts of Shaughnessy in Vancouver. There is no reason why those very few Canadians who are fortunate enough to have family trusts should have preferential treatment. There is no reason to extend what was a more than generous deadline". This was said the same day, on March 29, 1993.

• (1100)

Another hon. member of the government, who, on May 4, 1993 was a member of the opposition, the hon. member for Broadview—Greenwood, whom I also greatly admire, said the following: "When that kind of unfairness— is out there it affects people's spirits and it affects their attitudes in terms of the workplace. When one multiplies that right across the country, it has a devastating effect on productivity, profitability and everything else. The exemption period has been extended indefinitely, depriving us of billions of dollars in tax revenues. I find it really disgusting that we adopted this bill. I am just talking about fairness, not confiscation, about taxpayers who do their fair share". This is what the hon. member for Broadview—Greenwood said on May 10, 1993.

I could go on, but there is another statement, which was made by the hon. member for Gatineau—La Lièvre. I do not want to leave him out, and I want to identify him as well. He said, on April 2, 1993, and I quote: "This government is allowing them to keep accumulating wealth at the expense of the middle class and the poor of this country. What happened yesterday in the House is a disgrace, and the day will come when people will have to answer for certain social injustices". I will quote one last member of this House, who today is a minister—the hon. member for Ottawa South. He said, on March 30, 1993, with regard to family trusts, and I quote: "The answer that was proposed— 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. I do not think we can have any idea how much tax this money could have generated under such an arrangement, but I would think it would be a tidy sum, to say the least".

These people are still around today. They sit in this House. I wonder how it is, only a year or two after making such statements, that they are unable to act on them and acknowledge what they said at the time.

Despite all these statements, the Minister of Finance is refusing to act on the recommendations of the Bloc Quebecois and take immediate action to close these loopholes, which are depriving the government of hundreds of millions of dollars in revenue every year primarily from the major wealthy Canadian families, and I believe I have identified them fairly clearly.

However, to calm widespread taxpayer indignation at the huge bank profits, the Minister of Finance is going to levy a small token tax on banks, a small additional and temporary tax. Accordingly, while billions are cut each year in unemployment insurance—the figure mentioned earlier was something like $5 billion next year—the banks are going to have to pay an additional $60 million this year and $40 million more in 1996–97. Do you think it is going to hurt the banks to be taxed this amount? One hundred million dollars over two years: $60 million the first year and $40 million the second.

I would remind you that the six largest financial institutions in Canada made over $4.28 billion in profits in 1994. The Royal Bank alone made over $1.2 billion in profits.

• (1105)

It is ridiculous to say that everyone is affected by this budget. The government is taking just $100 million from a potential tax source of $4 to 5$ billion and suggesting that this amount is equal to what is being asked of other elements in society. How utterly ridiculous. We could even say this increase is hypocritical, since it may well be passed on to consumers, which banks and large corporations usually do, because such increases are always reflected in the price of these companies' final product.

So in the end, the consumer has to foot the bill. Large corporations are facing a 12.5 per cent tax increase under this budget, which will generate additional revenues of only $460 million over the next three years. This is very small compared to the $1.5 billion to be gained from the increased tax on gasoline. In this case too, the government is trying to show people, through this measure taken by the finance minister, that everyone has to do his bit.

Everyone doing his bit apparently means in this case that some have to make drastic sacrifices while only minimal ones are expected of others. If this is supposed to be a just society, I think we are on the wrong track. Compared to a 12.5 per cent tax hike for major corporations, a very slight tax on the price of gasoline will bring in three times as much or $1,5 billion.

The government boasts that it is not increasing taxes. And yet only a third of new revenues or $900 million which the government intends to collect will come from corporations. The remaining amount of $2.8 billion will come out of taxpayers' pockets. Where is the fair budget we were promised? What happened to the minister's promises that he would above all tax the rich? That being said, Madam Speaker, I would like to quote a few figures comparing personal taxes and corporate taxes.

From 1980 to 1994, personal taxes increased by 70 per cent, a rate indexed for inflation. The source of this information should be reliable and I hope it will not be disputed; it comes from the Finance department. Only the governments in Scandinavian countries and Belgium draw a higher proportion of their revenues directly from their citizens. What has happened to corporate taxes during this period? Let us look at the period extending from 1955 to 1992. In 1955, 25 per cent of federal revenues were drawn from companies. In 1975, corporate taxes accounted for 17 per cent of federal revenues and in 1992, they made up 7 per cent of federal revenues.

So we can see that corporate tax rates are in a free fall. In 1980, the tax rate was 46 per cent for big corporations and 25 per cent for small business. From 1988 to 1995, corporations were taxed at a rate of 28 per cent and small businesses at 12 per cent. It is very clear that the trend has been reversed and that from now on individuals and not corporations will pay more tax to the government.

• (1110)

The latest profits make the following corporations members of the billionaires' club: the Royal Bank, with $1.2 billion, Bell Canada, with almost the same amount—$1.178 billion, and General Motors of Canada, with $1.3 billion. How much tax did they pay? It would be very interesting to see their tax bill, if Taxation would only give it. It would reveal what the government is planning when it talks about a just society.

To elaborate on what I said earlier, the federal government did not trim enough of the fat. I alluded to this earlier when I said that the public service is not the only place where fat could be trimmed—National Defence is another potential target. Its budget will be cut by $1.9 billion over three years. A cut of $4.8 billion over the same time frame is what the Bloc Quebecois has been suggesting for two years now as an alternative to cutting social programs.

Close more bases and cut defence spending more. The Auditor General mentioned that the number of bases could be reduced to 12 without compromising the army's ability to function. In addition, it apparently costs over $125 million just to relocate members of the armed forces within Canada. This was said at the defence committee and echoed at the public accounts committee: between $125 and $130 million per year, not to transport troops to peacekeeping missions, but just to relocate transferred employees. Even with the army doing the transporting, it costs $125 million. That is fat if I ever saw it, Madam Speaker.

Housing for families of members and officers of the armed forces is a losing venture, it loses $30 million per year. Since 1978, the cumulative loss in this area is $2.3 billion. All the while, some officers pay only token amounts for rent, amounts

that are considerably lower than what renting a comparable house would cost on the market.

The Bloc Quebecois is happy to see that Minister Martin has cut business subsidies. He is on the right track in that regard. Congratulations! But the Bloc Quebecois believes his 60 per cent cut does not go nearly far enough.

Even the Conseil du patronat agrees that these subsidies should be dropped altogether. Here is an additional $1.6 billion that could be cut over the next three years. Even business agrees with the Conseil du patronat that these subsidies should be cut, because more often than not, they amount to a means of giving friends of the government a competitive edge.

The money such a move would save could be used to fund social housing, in order to avoid the planned cuts of $307 million over the next three years.

We also talked about the billions of dollars wasted by duplication between the federal and provincial governments. The Liberal government's budget does absolutely nothing to eliminate or even reduce this costly duplication. The federal government is not withdrawing from areas of provincial jurisdiction. It has not abolished the departments where duplication occurs: health, human resources development, natural resources, and we could name others.

It is also not withdrawing from other areas of provincial jurisdiction, such as forestry, mining, tourism, housing, recreation and municipal affairs.

• (1115)

The second point I made was that there is absolutely nothing in this budget for employment. In order to return to the pre–recession level of employment, more than 800,000 jobs would have to be created in Canada. During the last election campaign, the Liberal Party proclaimed loudly that job creation was their number one priority.

And yet, the budget before us contains no measures, either general or specific, to encourage job creation. There is no sign of any overall plan being implemented or even proposed. Nor does the government seem to have any intention whatsoever of taking action in the medium term to help the unemployed find jobs. Even the unemployment insurance surpluses that are supposed to contribute towards job creation will be used to bring down the deficit.

This budget is proof to us that the Minister of Finance has scrapped the red book and given up on doing anything about the present rate of unemployment. The budget forecasts unemployment rates of 9.5 per cent for 1995 and 9.4 per cent for 1996. The Liberal government's vision is cruelly insensitive to the millions of unemployed Canadians. I hope that in this area the federal government's forecasts are more accurate than its forecasts in recent years with respect to the rate of growth, because if it has made the same mistakes, we will be facing unemployment rates of 10.5, 11 or 12 per cent and not 9.5.

As regards job training, this is an area of jurisdiction over which Quebec has been requesting exclusive control for a number of years now, even under a Liberal government. In the present budget, the federal government creates additional duplication, instead of reducing it. It has announced the creation of a human resources investment fund. For the time being we are told that this should encourage solid and sustainable job creation, but we do not have many details yet. It is essential, however, that a provincial job training plan be put in place.

As long as the federal government continues to hang on to responsibility in this area, thus duplicating what is being done by the government of Quebec, many resources and precious time will be lost forever, with disastrous consequences for the job situation in Quebec.

Through its failure to act and its stubborn refusal again in this budget to let Quebec look after its own job training, the federal government is adversely affecting Quebec's economic development.

I would like to touch briefly on the infrastructure program. This $2 billion program, which was announced with great fanfare during the 1993 election, was supposed to create 45,000 temporary jobs over three years. We can only assume the program has gone very well, because the government has decided to terminate it ahead of schedule. This was the only concrete measure that would have helped the government keep its job creation promise, and even that was not followed through on. In fact, the budget cuts the $200 million that remained in this program.

The provincial and municipal governments have been told that they will not get the remaining $200 million federal subsidy that they were counting on, regardless of what they might have hoped and expected. So, $200 million for the federal government, $200 million for the provincial government, $200 million for each of the provinces.

• (1120)

This means a $600 million shortfall in Quebec's economy in terms of infrastructure projects. That is a pretty penny. This government apparently committed to creating jobs is actually pulling out of these projects, thus depriving several municipalities of funding they had been promised. The Minister of Finance would have easily won the lemon award for unkept election promises.

I will comment briefly on this budget which is unfair for the people of Quebec in particular. With respect to agriculture, the

Martin budget is plainly appalling, depriving farmers of $560 million in Crow's Nest subsidies. In Quebec however—

Madam Speaker, you are signalling that my time is up, while I thought I had five minutes remaining. I will therefore keep my other comments for another time.

[*English*]

Mr. Jim Silye (Calgary Centre, Ref.): Madam Speaker, I rise today to not only address the government's borrowing bill, C–73, but to also make a few comments about the budget.

The single biggest problem facing Canada today is the national debt of over $550 billion and the interest costs to service that debt. It is all too easy to think of this debt as a government problem, but it is not. The debt does not cost governments, it costs Canadian taxpayers. We pay for the debt directly every day in interest payments paid from taxes.

Whatever the party or Prime Minister or finance minister, the Government of Canada has not had a single balanced budget in 25 years. As a result, every Parliament has to pass bills like C–73, borrowing bills, to give it the ability to borrow money to service this debt.

For these two decades our governments have been living beyond their means, creating a delusion that we can live indefinitely on borrowed money.

How do they get away with it? How do they get taxpayers to fall in line when the cornerstones of our society like health care are in jeopardy because we are forced to borrow $89 million every day and $625 million every week to finance the debt? The answer in a word is sophistry, using clever but misleading arguments to justify actions.

One thing I noticed in my first year as MP was that an experienced cabinet minister could spin even the most unsound logic into what seemed to be publicly accepted government policy. The finance minister is no exception. He is an extremely clever man politically, and I often wonder what he is really doing with the Canadian taxpayer.

As a businessman and a taxpayer, I finally realized that we are all being hoodwinked. By waxing eloquent about breaking the back of the deficit and floating frightening trial balloons of higher income taxes, the finance minister has finessed many Canadians into believing that it is okay to go into debt, but just not as much as we have been in the past.

I would like to walk through the budget to demonstrate the art of sophistry at work, necessitating this borrowing bill we are debating today. Sophistry is defined as false reasoning or clever but misleading arguments. So much of what is served up in the 1995–96 budget is both politically clever but economically misleading. Is this truly a sound budget as the finance minister claims, or an unsound budget based on false reasoning?

If these walls could talk about the history of deficit fighting in this House, what would they say? They would tell of a former finance minister, now a Prime Minister, who in 1978 said significant reductions in the deficit can be expected. The deficit then was $13 billion. He is back at work now and the deficit is $39 billion. Seventeen years later he is saying the same thing, singing the same tune. When will he learn that times have changed?

• (1125)

These walls would also tell us about Liberal finance minister Allan MacEachen, who in 1982 said the government cannot responsibly add to the deficit. The deficit then was $28.7 billion. Today the Liberals continue to add to that deficit.

These walls would also tell us of Michael Wilson, who in 1990 said: "We will reduce the deficit to $28.5 billion next year. We will cut it in half to $14 billion in three years. We will reduce it even further to $10 billion the year after that". Does that sound like the current finance minister? Is that not what he sounded like the other day when he presented his budget? That deficit grew to $32 billion.

Finally, if these walls could talk they would tell us of our current Minister of Finance, who one year ago promised to break the back of the deficit and attack it head on. He had a projected deficit of $42 billion and the actual deficit that he will announce will probably be around $38 billion.

Deficit has been the focus since 1975. Meanwhile the real problems, the debt and the interest cost to service that debt, keep growing. Adding to the debt and therefore increasing interests costs, regardless of interest rates, regardless of the growth in the economy, will eventually erode program spending, reducing the amount of money for social programs and job creation initiatives.

That is what is wrong with the current direction in which this government is going. Before a single dollar of income is redistributed, before a dime goes to social programs, before a penny is spent on any other government program $2,200 must be paid yearly in interest for each and every person in Canada. Each Canadian's share of direct federal and provincial debt has risen from $4,500 in 1981 to over $25,000 today.

Here we have our clever finance minister talking about the deficit and the fact that he will spend less. He is misleading the Canadian taxpayer with the argument that by lowering the deficit through instalments he is solving our economic problem of the debt. He is not solving the problem. We have to get to a zero deficit. We have to stop adding to the debt. We should have a balanced budget as our immediate target, not somewhere down the road, that floating two–year revolving door.

In their reaction to the clever minister's budget the chartered accountants of Canada have stated: "The government has failed to set firm targets for the reduction of the deficit after 1997. Achieving a $25 billion deficit in 1997, which may well be the high point in the current economic cycle, is not sufficient. We must seize the opportunity now to break the deficit cycle and not risk facing unsustainable levels of deficit in the next economic downturn. We need a longer term plan to bring government spending under control".

Reformers have done this. We set out a clear spending reduction plan in our taxpayers' budget which would reduce the deficit to zero in three years. As our leader has pointed out, the biggest spending decision that the finance minister has made by not cutting program spending more quickly is to increase spending on interest charges from $39 billion when they first were elected to $51 billion when they are defeated in 1997 or 1998.

When the Liberals came into power in 1994 their total government spending was projected to be $158 billion. By 1997 their total projected spending will be $158.6 billion, despite all these spending cuts. On the spending side they will be right back where they started. They have failed to take the necessary steps to deal with the severity of our fiscal crisis and are leading Canada on a track destined for bankruptcy. Where is the benefit for people who have been hit with public service cuts, program cuts and cuts to transfer payments? The only purpose of these cuts, it appears, is to service the ever increasing debt. It is all going to interest.

The debt is the problem. The deficit is simply a contributing factor. It is politically clever but misleading to tell people that by slowing the digging we will fill the whole.

Another clear example in the budget of the finance minister practising the art of sophistry or false reason or clever but misleading arguments is evident when he states that the Liberals are not raising personal income taxes. Of course not. That would have knocked him way down in the polls and the minister knows that. The challenge was therefore to squeeze more money out of the taxpayer without waking them up to that fact. The minister succeeded.

I will give the House four examples. The tax rates of large corporations were raised by 12.5 per cent and corporate surtaxes increased by 1 per cent, from 3 per cent to 4 per cent. These increases will be passed on to consumers and will ultimately fall on the middle class, the very heart and soul of the support of the Liberal party, in the form of higher prices.

• (1130)

The Liberals placed a temporary capital tax on large deposit taking institutions. A temporary tax, there is an oxymoron. It is like a prominent backbencher. In 1917 income tax was originally supposed to be temporary.

Taxing banks means higher costs to Canadians for banking transactions. Watch how quickly service charges change in the next year.

A third example is the Liberals have raised gasoline taxes by 1.5 cents which will cost the average Canadian and so too will higher taxes on cigarettes which the minister sneaked in through a ways and means motion a few weeks ago.

The Liberals have eliminated the public utilities income tax transfers to the provinces which means if your utilities are provided by a private company you will see your rates jump by as much as 25 per cent because they no longer get the same treatment as fat cat government owned utilities.

This is another clever technique used by the finance minister to punish Alberta MPs. Let us punish the city of Calgary for voting six Reformers. Let us reward Edmonton for electing four Liberals. This blatant partisan political endeavour will only come back to haunt the Liberal Party. This was a selective tax grab against Alberta. The Minister of National Resources yesterday did not even have the courage to answer one of my colleague's questions about her support for the PUITTA transfers to the provinces. Eventually those provinces that are considering privatizing their utilities will not do it now because of the extra costs.

Clearly this budget is nothing more than a tax on the consumer. It is a consumer budget. It raises about $1.5 billion that consumers are going to have to pay, not on their personal income tax which they are all happy with, but through hidden taxes, through consumer taxes. It is a form of a GST.

Automobiles do not pay taxes. The people who buy them do. Once again the Minister of Finance is practising the art of sophistry by using a clever but misleading argument to make taxpayers think that he is doing them a favour by not raising their individual tax burden when he is by $1.5 billion.

Another example of sophistry can be found in the finance minister's use of soft targets in his budget projections. The real test of spending cuts from one year to the next is if we spend less than the year before. This government for the second time in a row will be spending more that it did the year before. It is up to $163.9 billion from last year's projected $163.5.

If the Liberals were truly going to spend less they would be below that $163 billion figure. Once again the minister does not sell it that way. He talks about spending cuts, lowering the deficit and that reaching his target of 3 per cent of GDP will solve all our problems. Meeting the 3 per cent target depends on the continuation for another three years of recovery in the business cycle. That is very unlikely to occur. That is why it is called a cycle.

The Liberals continue to delude taxpayers that things will turn around. They believe strongly in overly optimistic economic growth projections. Their hopes for gradual improvement lead them to delay, to defer, to minimize the need for tough and immediate action.

They think gradually they will work this through. It appears as though gradualism has become a Liberal policy. Change should not be introduced too suddenly. To avoid any shocks to the system reforms of any kind should be introduced gradually.

In an article I was recently reading the writer suggested that we use a gradual approach to introduce new traffic laws from driving on the right side of the road to the left side. Do it gradually, buses and trucks this year, cars next year. Gradualism is not going to work.

All that Liberal rhetoric about rolling two year targets does is side track us from the real problem of the debt. Once again gradualism sounds appealing but it is misleading. Interest costs continue to rise. At the end of the Liberal term they will have added another $10 billion to the interest costs of this nation. This is what they are doing. This is where their spending cuts are going. Everybody is sacrificing in this country just to pay the darn interest costs on the debt instead of getting the deficit to zero so that interest costs will not rise.

Why is it on the question of fiscal common sense finance ministers continually react by saying they will balance the budget tomorrow, they will get at it first thing next year, they will aim for a balanced budget but in the meantime they have to tackle the deficit? How would members react to someone who had cancer and planned to wait to seek treatment until he felt better? This is yet another example of a clever but misleading argument by the Minister of Finance.

The Minister of Finance has said that small business is the engine of our economy. It creates 85 per cent of the jobs in Canada. Yet in his budget he tried to take credit for the 400,000 jobs that have been created in this past year in Canada when all the government can take credit for are the 60,000 jobs it created through its infrastructure program which has simply added to the debt.

• (1135)

It is absolutely amazing how many times we heard that the infrastructure program was a huge success, creating years of employment. It was not just short term. Now we see in the budget that funding for the program will be reduced.

If the infrastructure program was such a success, then why has it been cut? Was it not living up to its potential? Through pork barrel programs like infrastructure, the Liberals are being politically clever but, as their budget demonstrates, economically misleading.

Another example of sophistry at work can be found in the finance minister's criticisms of the Reform Party's policy on old age security. The finance minister said the Reform Party's taxpayer's budget would hammer seniors at the low end of the income scale, which simply is not the case.

During the election campaign the Conservatives accused us that this would effect seniors who made $17,000 a year. Now the finance minister has the gall and the nerve and audacity to stand in this House and tell Canadians that we will hurt and harm seniors who make $11,000 a year. That is pathetic.

Mr. Mills (Broadview—Greenwood): Where are the cuts coming from?

Mr. Silye: I will get to that. I will show exactly why the finance minister should retract what he said at some point in the future.

These scare tactics are clever but they are misleading. In our taxpayer's budget Reformers propose that key changes to OAS would include basing the program on family income. Guess what?—that is what the Liberals are going to do as well. We say who it is going to effect. We say at what level it will effect but the Liberals do not have the courage to say what they are going to do on social programs.

In the two–year projections, the money on social programs stays at the same level of $39 billion. The transfers to provinces go down by about $2 billion without any of the tax points going over there, but they do not come clean. That is the problem. It is a budget of broken promises and it is a budget of slight of hand.

Our budget would protect those currently receiving guaranteed income supplements and not paying benefits to high income families. That is what our policy would be on the OAS. This is what the Liberals have suggested in their budget.

Let me now give a definite example. Members have been waiting for me to get to this. I am sure this is the part that is very interesting. They want to know where we get our figures. We get our figures from the government's own numbers. It is a document it produced. It is a book. I think it is coloured. It means this government is good on colours. It has the red book, the grey book, the green book, the mauve book, the white.

This is from "Creating a Healthy Fiscal Climate", page 70, annex table 26, distribution of net federal elderly benefits by household income, 1994.

Eight hundred thousand households receive less than $15,000 in income. The benefits they receive which include the OAS, the spousal portion and the GIS, are $7 billion. That would be untouched by our taxpayers' budget.

Where does the finance minister get his $11,000 figure? The next level up is $15,000 to $20,000 for 390,000 households; $2.6

billion goes there. That is nobody who receives a household income of $20,000. Even if you divide that in two, you are at 11.

Twenty thousand to twenty–five thousand dollars is the next level: 380,000 households, $3 billion goes there. Twenty–five thousand to thirty thousand dollars: 250,000 households; $1.7 billion goes there. Thirty thousand to forty thousand dollars household income: 280,000 households; $1.8 billion goes there.

Even if you took the $40,000 you would end up with $20,000. Where does the finance minister get his $11,000 number? He says if $11,000 is what we would do, I challenge the finance minister if he wants to restore and retain his credibility, because he has said this publicly, to confirm that his numbers are right in this.

If these numbers are right then there is no way that taking $3 billion out of OAS, a $20 billion envelope, and reducing it to $17 billion we going to harm one single senior who makes less than $20,000 in income. Our target is about $40,000.

I insist that if the finance minister catches wind of what I have said here today—I see that the parliamentary secretary to the finance minister is present—we deserve a correction on that. We deserve a clarification.

We are playing with peoples' lives. We do not want to scare people. We want to get to a zero deficit. We want to cut more than the Liberal government. We would cut faster than the Liberal government and you can take all the credit you want about ours being slash and burn, but we know that our projections and the way we want to do it is the right way, it is the correct way, and is the way it should be done.

• (1140)

For the government to accuse wrongly, neither party should do that. Both parties and all members of Parliament should try to be accurate. They have a responsibility to be accurate when they are talking about numbers and how they affect lives. We can disagree on philosophy but we should not disagree on numbers. I think I have said enough on that.

Let us turn to income security for members of Parliament. Has the finance minister made any sacrifices there? The answer is no. Canadians have to sacrifice but not MPs. They are not paid enough so the MP pension makes up for that. The old time politicians will benefit from the original plan to the new two tiered plan that will make millionaires out of many of them while future politicians will be asked to accept the reformed plan.

It is outstanding to sit in this House and listen to the Prime Minister compare his salary with professional hockey players' every time we ask him a question about pensions. Why does he compare his pension with the pension of a hockey player? Why does he not compare his pension to those pensions out there in the private sector?

What we are saying is that the compensation package has an imbalance. The compensation package for MPs is out of whack. The compensation package has to be revisited and the whole thing has to be looked at. The MP gold plated pension plan is too generous. The $64,000 a year is too low. However, this government is too heartless and lacks the courage to address the problem head on. It wants to protect all the old cronies from the past and will not address what should be addressed in the proper fashion.

There is no way that any member of this House should receive any more than matching contributions to what a member puts into a pension plan, one for one. I do not care if it is 5 per cent, 6 per cent or 8 per cent, it should only be one for one.

To boot, the Prime Minister has said he cannot reform the MP pension plan retroactively because there is a rule in democracy that we do not pass retroactive legislation.

Considering the fact the Liberals applied retroactive legislation to the Pearson contract, the EH–101 helicopter contract, the public service contracts and to Canadian taxpayers working overseas, why is it that these same Liberal politicians are not subject to the same rules as those Canadians? How can the Prime Minister contradict himself this way? It is a clever thing to say but it is a misleading point to make when the facts betray what he is saying. It is a double standard. It might be sophistry.

Once again the Liberals are leading the taxpayers to believe that they are actually reforming the system when all they are doing is making it less gold plated for the young MPs but still very generous. I cannot believe the number of rookie Liberal MPs who have been coerced and have just sat there. They are the strongest number in caucus and they sit there and let these veterans push them around. They sit there and are forced to go back to their constituents, most in Ontario, and say sorry, but they had to take this two tiered pension, they cannot sacrifice because the Prime Minister and cabinet will not let them. I cannot believe that.

The rookie Liberal MPs have an opportunity to set an example. The rookies have an opportunity to crack the whip and to show them in caucus what it is all about to be an MP: real integrity, real honesty and real leadership, not the old style partisan, pork barrelled system that has been going on for the last 25 years.

What has changed? We have a Prime Minister who is still going out to $1,000 parties that 99.999 per cent of Canadians are not even invited to. We still make blatant partisan appointments, not the Liberals who deserve to be there but blatant ones that should not be made. The Liberals are still spending $40 billion more a year than they bring in. They fail to recognize the real problem.

The finance minister talks of downsizing and reducing the cost of government when the fact is that in Ottawa Canadians still have a big government and a high spending government. Reformers believe that government governs best that governs least and the best government is smaller government.

Why is it that in the state of California 52 congressmen, 2 senators, 1 governor and 1 president represent at a federal level 29 million people?

• (1145)

Let us say that Canada is pretty close to 29 million people for the sake of argument. We have for the same 29 million people 295 MPs, 104 senators and one Governor General representing the taxpayers. Are we not as competent as congressmen? They can represent 500,000 people while we can only represent 100,000 people? Do we not have the intelligence? Do we not have the technology to have representation by population with a higher population base? I think we can.

Talk about downsizing the public service by 45,000 people over three years. Why do we not downsize the House of Commons? What are we doing instead? We are not going to downsize the House of Commons. While the government lays off 45,000 civil servants it is going to bring in six more MPs. There will be six more MPs in the next federal election.

Once again the Liberals want to increase the size of government. Make it big. Keep the backbenchers happy. Let a small cabinet control things. They refuse to consider more effective approaches to accommodate shifting, growing populations.

Reformers believe the House should have 265 members. Taking into account the floating nature of the population we cannot cap it because of all of the deals that have been made since Confederation. We would then have a reasonable House. We would have members of Parliament that represent more people. We would have members of Parliament that would really have some value and some input into what is going on rather than this huge size. Except for the 20 people that sit around the Prime Minister, the rest of us are just here for window dressing.

We believe the House should be reduced to a fixed number. If the size is continually expanded to match population increases, the House will reach unmanageable proportions with unsustainable overhead costs. The answer to population growth is not to increase the numbers of representatives but to periodically redraw constituency boundaries—redistricting; to redistribute seats according to population shifts—reapportionment; and introduce an elected, effective and equal Senate for regional control.

The time has come to bring back financial responsibility to government, not to make government bigger. Politicians have to be accountable to the people of Canada, to be trusted to handle their money. More faces will not improve the system. I heard a little comment about Alberta?

Mr. Calder: How many seats do you have from Alberta?

Mr. Silye: We have 27 seats from Alberta.

An hon. member: That is 26.

Mr. Silye: For instance, the city of Calgary has six MPs. I would cut two out of the city of Calgary. We only need four MPs from the city of Calgary.

Mr. Calder: Which two would the hon. member cut?

Mr. Silye: Mine and—If you have a personal problem and have to go somewhere, I think it should be respected.

The government is selling a lean, mean government but is increasing its size at a future cost to millions of taxpayers. It is sophistry, clever but misleading.

Despite the hype, the Liberal budget is not a great budget. It does not go deep enough, fast enough or is it compassionate. Liberals have not come clean with the Canadian public. They are trying to retain their popularity and are playing games with numbers.

The budget is merely acceptable compared to what we have seen in the past. It does not stop the digging fast enough. As Alberta treasurer Jim Dinning said the other day about the budget, it is like getting excited over a student that always comes home with Fs on his report card and one day brings home a C minus.

Will we consider the budget as our soft targets? Number one, soft targets. The Liberals are headed in the right direction. They have to make some cuts. They have addressed some cuts, but they have not made enough cuts.

No balanced budget is in sight. That is the target they have to set but will not set. This is why the leader of the Reform Party is going to be the next Prime Minister of Canada. Canadians are going to recognize that is where we should be and that is what will be in the best interest of saving the country.

The Canada social transfer that the government sneaked in is another example of sophistry. It is going to confuse the provinces. The Bloc Quebecois, rightly so, is screaming loudly and justifiably about how it will affect Quebec. The Liberals cannot answer. They will not answer.

The fourth problem is that the fiscal House is just not in order. The combined spending cuts in the budget and revenue increases will amount to $29 billion over the next two years. That sounds great. However, at the end of their term overall spending will have increased even higher than where they started. After four years of Liberal government overall spending will be up by about one-half billion to one billion dollars. Despite the cuts, it is not a balanced budget. Despite the cuts, the debt will grow. Despite the cuts we will be no further ahead as a nation. All that

pain just to pay the interest on the debt. Why can the Liberals not get it through their heads that we have to get to a zero deficit?

• (1150)

I propose that Parliament reject the budget for its failure to eliminate the deficit quickly and decisively within the life of this Parliament by asking further generations to bear the cost of our fiscal responsibilities.

I propose that the finance minister reintroduce a new budget in the fall that reflects Reform's suggestions to balance the budget over a three–year period.

We are continuing the cycle of treading water. Eventually our arms are going to get tired. We are going to sink, sink as fast as the *Titanic* when we hit the wall. Hit the wall we will if we do not eliminate the deficit. No country can allow its debt to continue to grow as we are in Canada and expect to survive.

That is why we presented our taxpayers' budget, a budget that gives Canadians real hope. It gives the Liberal government a plan to adopt. It shows them the vision Liberals lack.

An hon. member: Have you been at a golf club?

Mr. Silye: I have a problem with the comment about the tan I have. My wife was rushed off to hospital in sunny California. It was an emergency. That is why I have a tan. I do not appreciate it when members keep referring to that when I am trying to give a serious address on the budget. If they just make jokes about the tan, that is fine. But once they know what it is about I would appreciate a little more respect.

Our taxpayers' budget gives Canadians hope. It shows them a vision and defines a real problem, that of the debt and the interest costs to service that debt. It offers a solution of how to get to a zero deficit so that we can manage the country's finances. We have to get our fiscal house in order so we can start looking at the debt and at ways and means of reducing it. Our children and our grandchildren should not have to continue to carry this heavy, heavy load.

I repeat one more time. Our taxpayer's budget gives the Liberal government an opportunity to adopt that approach, to get to zero within the life of its term. Because if it does not, we will get elected and we will do it.

The debt and the rising interest costs to service that debt is the problem. I have tried to point it out. I have offered solutions. Our party has pointed it out. Our party has offered solutions. Despite all the wisecracks from the finance minister, despite all the rhetoric about how the Reform Party this and the Reform Party that, the Liberals are taking some of our agenda. Why not take all of it? Stop the digging.

[*Translation*]

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Madam Speaker, I welcome this opportunity to speak on second reading of Bill C–73, the borrowing authority bill.

Before I speak directly to the provisions of the bill, I would like to put this legislation in its proper context. The amount of borrowing authority requested in the bill is directly connected to the financial requirements set out in the budget. The information required to deal with the financial aspects of the bill is set out in the budget.

It is very important that this bill be passed as quickly as possible. If borrowing authority is not in place early in the new fiscal year, there will be severe constraints placed on the government's financing program. All remaining borrowing authority granted by the Borrowing Authority Act, 1994–95, will be cancelled at the end of this fiscal year except for a $3 billion non–lapsing amount.

Once this amount is depleted, the government would be limited to using section 47 of the Financial Administration Act which restricts borrowing to short–term funds.

• (1155)

In such a situation, no bonds could be issued except to fund maturing issues, of which there are two in the first quarter of 1995–96. Any delay in the passage of this important bill beyond the end of the current fiscal year, therefore, could be costly to the government and to Canadian taxpayers, and would expose the government to the additional interest rate risk implied by increased short–term funding.

Given the government's large financing program, delaying bond financing will also be potentially disruptive of the capital markets which could result in higher debt servicing charges. Therefore, it is critical that borrowing authority be secured as soon as possible.

The budget has been a topic of much discussion both in this House and elsewhere this week. And well it should be. As has been pointed out by my colleague the Minister of Finance, the budget he presented last Monday is an "historic response" to an "historic challenge".

The challenge is brought very much to our attention as we debate this bill. This country's economic future is put at risk by the $500 billion debt we have accumulated—a $500 billion debt that leaves us all too vulnerable to the harsh impact of interest rates.

And yes, we recognize that this legislation seeks to borrow even more money, adding to that debt. But in asking hon. members to support this legislation, I draw their attention to the fundamental reform of government spending set out in the budget and the commitment of this government to meet its deficit targets.

The ultimate goal of this government is a balanced budget. There should be no doubt that we will achieve it.

But we are not going to achieve this goal through the magic of long range projections as was attempted in the past. Nor will we achieve our goals by projecting overly optimistic increases in economic growth and cheerful interest rate forecasts.

[*English*]

Our approach has paid off in success in not just meeting the targets for 1994–95 but in fact doing better. Last year in our first budget we projected a deficit of $39.7 billion. We now estimate that the deficit will come in at about $37.9 billion, some $1.8 billion under target.

The underlying deficit, that is without the one time charges incurred in restructuring government, is $4.4 billion below target. Revenues of $1.2 billion are above the conservative estimates in program spending, a full $3 billion under our projections.

These positive effects on the deficit were only partly offset by the $1 billion in higher than expected interest rates, so the $2.4 billion contingency fund did not have to be touched.

I would like to go directly to some of the aspects of this legislation because in my short time I want to make sure that my colleagues understand exactly what the nature of this borrowing bill is.

• (1200)

With the measures we are taking in the budget announced on Monday there is no question we will achieve the target of $32.7 billion in the upcoming fiscal year and $24.3 billion or 3 per cent of GDP in 1996–97.

We are backing up our very prudent economic assumptions with a substantial contingency reserve, which next year will be $2.5 billion and the following year will be $3 billion. Looking ahead, our contingency reserve will do more than just protect our target. If it is not needed it will not be spent. It will go toward reducing the deficit even further.

This underscores one of the basic strengths of our planning assumptions. If interest rates and growth do better than our forecast—and remember that we have taken a very conservative forecast—and if we simply compare it to the private sector average, in 1996–97 the deficit could drop below $19 billion. That is $5.5 billion less than what was projected in the budget.

By that time our financial requirements, the new money we borrow from markets, will fall to $13.7 billion, a drop of more than $11 billion from the amount asked for in Bill C–73. That is substantial progress of which every Canadian should be proud. It will be just 1.7 per cent of GDP, down from 3.5 per cent of GDP in 1994–95 and a full 5 per cent in 1992–93. Based on the national budgets for 1996–97, Canada is projected to do better than the United States, Germany, Japan and every other major industrial nation.

The details of Bill C–73 contain three basic elements: authority to cover financial requirements for 1995–96, exchange fund account profits, and a non–lapsing amount. In total we are requesting authority to borrow $28.9 billion for the 1995–96 fiscal year.

First, there is a provision for $24.9 billion of authority to cover anticipated borrowing requirements to meet the net financial requirements set out in the budget.

Second, there is a provision to cover $1 billion of exchange fund account earnings, which gives rise to additional Canadian dollar borrowing requirements. These earnings, although reported as budgetary revenues, are retained in the exchange fund account. They are not available to finance ongoing operations of the government.

Third, there is the usual $3 billion non–lapsing amount, the same amount requested in borrowing authority in the past seven years. The non–lapsing amount can either be used during the course of the year to manage contingencies such as unexpected foreign exchange requirements or it can be carried forward to the next fiscal year.

There are some minor technical provisions in the bill that more clearly link fiscal year borrowing authority with fiscal year borrowing requirements. One provision provides that in 1995–96 the borrowing authority may only be used after the new fiscal year begins. Another provision stipulates that for the purpose of calculating borrowing authority usage the effective date is April 1.

Until the bill is passed the government may continue to use the $3 billion non–lapsing amount provided for in last year's Borrowing Authority Act. Any portion of the non–lapsing amount that is used will be deducted from the basic amount of borrowing authority being sought today. This prevents the non–lapsing amount from effectively adding to the borrowing authority next year. Also the bill will cancel all borrowing authority remaining from fiscal 1994–95 once it is passed.

As background information I would like to review the government's debt operation for the current fiscal year up to the end of January. So far this fiscal year in the domestic debt program the government has issued about $21.4 billion in marketable bonds, $1.5 billion in Canada savings bonds, and $1.4 billion in real return bonds. There are also net redemptions of $7.8 billion of treasury bills. This provides a total of $16.5 billion in net new market debt.

I also report to the House on last fall's Canada savings bond campaign. The government introduced two innovations aimed at revitalizing the Canada savings bond program. First, a new three–year price feature was introduced, aimed at making CSBs more attractive to retail investors. Second, the government expanded the sales window making CSBs available over a longer period of time. They were priced competitively with other products in the market, cost effective relative to other

sources of financing and produced sales of $7.5 billion or a 40 per cent increase over 1993. After accounting for redemptions during the year, the net increase in outstanding Canada savings bonds was $1.5 billion, as I indicated earlier.

• (1205)

Regarding foreign currency debt, outstanding Canada bills increased by U.S. $2.2 billion to $6.3 billion at the end of January. These are short term U.S. dollar denominated bills issued from time to time in the U.S. market to fund Canada's foreign exchange reserve.

In July 1994 the government launched a $2 billion five–year Euro bond issue. The issue was used to increase reserves and diversify the sources of U.S. dollar funding of Canada's exchange reserve.

In summary, the bill is straightforward and contains no unusual provisions. All the information needed to deal with it is before the House in the budget, the main estimates and related documents.

[*Translation*]

I therefore urge the House to proceed with this legislation as quickly as possible so that new borrowing authority will be in place at the beginning of the new fiscal year and the government's regular borrowing program can proceed as the fiscal year begins.

[*English*]

Borrowing authority is a normal part of the operations of government. I urge all members of the House to support the bill.

Mr. Jim Silye (Calgary Centre, Ref.): Madam Speaker, I would like to ask a question of the member for Winnipeg North Centre.

When talking about the budget elements in his speech he used words like would, could and should. Those are not good enough in these time. He also pointed out that his government was on track to meet its deficit target of $25 billion at the end of two more years. It is my contention and our contention that this will add to the problem. Our proposal for a deficit target is zero, not $25 billion. We believe that solves the problem. It does not add to it.

Would the member explain why a deficit target of $25 billion is better than a deficit target of zero?

Mr. Walker: Madam Speaker, I thank the hon. member for his question and for his speech. I was listening carefully to him. I know he is concerned about these issues. He brings a real passion to seeing our debt reduced.

I assure him that every member on the government side is equally committed to balancing the budget and to making sure that future generations of Canadians are not saddled with the debt as we currently are.

The major difference between the government and the third party is the quickness related to actually delivering the savings needed to produce a balanced budget.

If the hon. member reviews his speech, I caution him not to deal with the total expenditures but to look at the amount of money spent on programs. From the beginning of the government we have been in the process of reducing it from $120 billion to $108 billion. That is significant progress.

We would like to be optimistic and say that the economy will continue to perform as it did last year at 4.5 per cent growth, but we know that in the past many governments have disappointed Canadians by making high growth and revenue projections and in the end have come back to Canadians with increased debt. We refuse to do that.

We also know that politicians are politicians. If we set objectives far down the line and say that in five or six years we will have a balanced budget, and a crisis comes up such as the Mexican peso crisis in January, people say not to worry about it too much because we can adjust further down the line. We can hold their collective feet to the fire and say our objective this year is *x* billions of dollars in debt and we are going to reach it. We are not going to compensate in two or three years; we are going to look after it right now.

The Minister of Finance and the Prime Minister have been very effective in bringing a discipline to the government. Through the actions we are taking, we are setting an example for many other governments across the country. At the turn of the century we will see ourselves in a very fine position, one we can all be proud of.

• (1210)

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, the member from the third party who previously spoke gave a speech of almost catharsis.

I was hoping the Parliamentary Secretary to the Minister of Finance could comment on the very important issue of revenue. The member from the third party had characterized the government's budget as being overly optimistic on the revenue side.

My recollection of the straw budget put together by the third party was that its revenue projections were $16 billion. They would reduce the deficit down to $25 billion, which is where the government is going. Basically that means all cuts the government is proposing would theoretically be on top of the third party's budget.

Could the parliamentary secretary clarify the situation with regard to the allegation that the revenue projections are overly optimistic?

Mr. Walker: If anything the revenue projections are very prudent. We are very cautious about 1996. The American economy has been growing very rapidly with increased interest rates. We are concerned that our export markets may be dampened somewhat because of a slowdown in the American economy. I know American economists and observers are very nervous about whether interest rates have gone up too high in the United States.

Since so much of our revenue on the corporate side is based on our export industries, to say nothing of the jobs in markets such as the automobile industry and so on, if we do not make prudent projections on the revenue side we will be caught with increased costs in UI and reduced corporate profits and will find ourselves without the revenue.

Therefore, as I said in response to an earlier question, the last thing we want to do collectively as parliamentarians—in this respect the whole House should be in agreement—is set up a situation where we disappoint Canadians again. I would much rather be in a position of surprising them with good news than coming back again with a budget that has to be redrawn based on faulty optimistic projections.

The Department of Finance, through the minister's instructions, has been very cautious in the way it has drawn up the projections. We have insisted that the more optimistic projections in the private sector be scaled down. We have been very cautious in the way we have set out the amount of money available to us in two years.

[*Translation*]

Mr. Gérard Asselin (Charlevoix, BQ): Madam Speaker, I have a comment and a question for the Parliamentary Secretary to the Minister of Finance. They are both related to the referendum campaign in Quebec. Is it possible that the real federal budget will be tabled in 1996, after the referendum?

The government's budget increased by $3 billion, in spite of cuts of $5 billion to programs. Moreover, the Minister of Human Resources Development intends to cut some $15 billion, over a five-year period, in social programs, a measure which has yet to be approved by this House. Again, the federal cuts in transfers to the provinces will result in higher provincial deficits.

The provinces will have no choice but to transfer their responsibilities to the municipalities without providing them with the necessary financial support. Consequently, ordinary Canadians will once again have to foot the bill.

• (1215)

Whether it is with the left or the right hand, low and middle income taxpayers end up having to pay. In the context of privatization, the federal government eliminated all subsidies to regional airports and ports or harbours. This has a major impact on every region in Quebec, whether the local economy is based on services, tourism or industrial activities.

I have a simple question for the parliamentary secretary. Is he prepared to admit in this House that the real budget will be tabled after the referendum campaign in Quebec?

Mr. Walker: Madam Speaker, the Minister of Finance tabled our budget for this year. There will not be another budget after the referendum. The message sent to the provinces is very clear. Many changes will occur, but we did inform provincial finance ministers, including the Quebec finance minister, of our strategy. We have an agreement with the provinces to postpone changes until next year—

[*English*]

—to provide an opportunity for governments across this country to change and to adjust. The federal government is losing 45,000 employees. It is with a great deal of sadness that we are making these changes and changing many of the programs. By definition, as we change programs it affects every single province equally. There is no doubt about that.

We expect that as the provinces go about their work they will have to make individual decisions as to the best way to improve the situations in their own province. It is not for me to guess whether it would include changes in programs, cutbacks or whatever. We will have to wait for provincial ministers of finance with their respective cabinets to make their own decisions and explain it to their individual populations.

Mr. Silye: Madam Speaker, in the member's answer to his own colleague about the operating budget of the government, he asked that we not look at the interest costs but just look at the operating budget and how the cuts are there.

I acknowledge the cuts in government operations. They are lower. There are some cuts there. However, the member is not recognizing that the interest cost to service the debt is going up faster or as fast as the cuts that are being made. That is why I will repeat the objective is to get to a zero deficit, not to one of $25 billion.

In the member's household budget, whether he has a mortgage now or if he ever had a mortgage, are the interest costs to service the mortgage on his home not a part of his expenses? Does he have a budget which includes his income and his expenses for food and clothing, but the expenses for shelter do not count? Does he keep that aside saying that he can borrow money indefinitely on that? No. A business cannot do it either. The debt servicing costs of a corporation are also included in its costs.

The hon. member should put the interest costs and the operating costs to government together as one. Do not make the same mistakes previous finance ministers have made. Separate the two and try to offer sophistic arguments. Get to the bottom of the overall spending and lower the overall spending so that we get to zero. Does that not make sense?

Mr. Walker: Madam Speaker, the member makes a lot of sense. If the member had included it in his original speech then my comments would not have come forward that way. I will say again that it is incumbent upon all of us to make sure the Canadian public understands that progress is being made on restructuring government.

We are as chagrined as the next person about the high cost each Canadian faces with the debt. When I stand in the House to ask permission to borrow $28.9 billion, it is not done with a lot of glee. This is a tremendous burden we are adding. We understand that.

Last year I believe we asked for $32.3 billion. It shows that we are making progress. Our demands on the international markets are becoming less each year. In this view, we are making real progress without causing widespread grief and harm.

• (1220)

I do not know if members have had a chance to look at the newspaper today, but looking at the public opinion polls, Canadians have been willing to accept a tough budget. We presented a tough budget and their reaction is very supportive.

The opposition parties should understand and appreciate the willingness of Canadians to participate in such an exercise, including the tax issues and so forth. I am very proud with the way the government is in sync with the Canadian population.

[*Translation*]

Mr. Jean–Guy Chrétien (Frontenac, BQ): Madam Speaker, you may have guessed that I am particularly interested in the budget's impact on agriculture.

However, I would like to start by commenting briefly on the underhanded way the provinces are being treated, the lack of job creation measures, unfair tax measures and the inequity of certain cuts. If I were to give my impression of the budget brought down by the Minister of Finance in a single sentence, I would call it next year's budget.

As usual, the budget we were supposed to set this year has apparently been postponed until next year, in other words, until after the referendum.

This budget is like a time bomb, and it will be a couple of years before we feel its full impact. Take, for instance, transfer payments to the provinces. In the budget brought down on Monday, transfers for health care, education and social assistance will be cut by $2.5 billion in 1996–97 and $4.5 billion in 1997–98. This is a cut of 40 per cent over three years.

This measure will very likely destabilize provincial budgets and force the provinces to make drastic cuts or even shift part of the burden to the municipalities, as Quebec Liberal Minister Claude Ryan did so neatly in 1992.

And on top of that, there is the obligation to meet so–called national standards. Once again, the provinces are sitting under a federal sword of Damocles.

In the last federal election, the Liberal government was elected on its promise to create jobs. However, after barely a year and a half in power, that same Liberal government decided to ignore its promise to create jobs. There is nothing in Monday's budget to create employment. Nothing but layoffs, as many as 45,000. There is nothing for 800,000 unemployed workers who are looking for work in Quebec. Nothing. The only program that has created some employment and so–called temporary jobs, the infrastructure program, will lose $200 million from its initial budget announced last year.

This is a three–way program, so that in the end, not $200 million but $600 million will be cut.

• (1225)

This budget is unfair because it maintains the preferential treatment of family trusts for another five years, which will give the parties concerned plenty of time to find other ways to evade taxes, and believe me, they will. It is unfair because it comes down relatively hard, but on the wrong people. In the short term, the public will feel the impact of tax hikes on tobacco and gasoline.

Furthermore, the Unemployment Insurance Program will be cut by 10 per cent. The government is going to take money from the unemployed to pay off our debt. This is obscene!

Some hon. members: Hear, hear.

Mr. Chrétien (Frontenac): Meanwhile, the government has no plans for real tax reform. It will raise the corporate tax rate by 12.5 per cent or 1/8, but I used to teach math, and 1/8 of what is not much in any case barely adds up. So what it really means for the big corporations is that there will be an increase from 0.2 to 0.225 per cent of corporate capital in excess of $10 million. Let me tell you that a lot of people in my riding would be delighted to have that rate applied to their personal income tax.

That being said, as the official opposition critic for agriculture and being a farmer myself, I was particularly surprised and, in fact, appalled at the inequity of the budgetary measures concerning agriculture. Last week, the Minister of Agriculture said to anyone who would listen that his government would treat all Canada's regions on the same footing, and he said quite seriously that no agricultural sectors would be more equal than

others. Now we must face the fact that the government is saying one thing but doing another.

In this budget, the finance minister cuts the agriculture department's budget by 19 per cent, or one fifth. During a time of cutbacks, it is accepted that everyone has to do his share, but what really hurts is the way the cuts are distributed. It is one thing for agriculture to be hard hit, but quite another if it is unfairly affected. The injustice from one region to the next is simply absurd.

In short, to make up for eliminating the Crow's Nest rate for Western grain transportation, the government will give grain growers $2.9 billion. But dairy producers in Quebec will see their federal subsidies cut by 30 per cent over two years. That amounts to a $32 million cut without any compensation whatsoever.

The message is clear but unacceptable: the deficit is being tackled on the backs of Quebec and Ontario dairy producers. It can even be said that if the target price for milk were increased because of these cuts, the increase would be borne by consumers and processing industries. It is tantamount to a consumption tax.

Certain cuts are inevitable, I must agree. The agriculture minister was telling me last week that so much had been said about the Crow's Nest rate over the last 25 years. Even in the opinion of farmers and people involved in grain transportation and processing, there were serious shortcomings in the Western grain transportation system, such as the detour to Thunder Bay to be eligible for the subsidy.

• (1230)

For ages people have seen the waste and inefficiency in grain transportation. And the saga has continued since the Liberal Party sitting opposite us took office. They have consulted, gone around in circles, did some fancy footwork in the House and tried to arrive at a consensus with the people in the community. Nothing has worked.

The Minister of Finance finally decided to discontinue the transportation subsidy under the WGTA. To compensate Western grain producers for this loss, the finance minister announced a number of interim measures. For example, owners of agricultural land, in the Prairies only of course, will receive a single, non-taxable lump sum payment of $1.6 billion.

Add to this the $300 million, 5 year program to help producers adapt to the WGTA. On top of this, export credit guarantees totalling one billion dollars are being offered to help producers sell their grain and other foodstuffs. The sum of these three programs is $2.9 billion. The federal government will invest close to $3 billion to compensate grain producers in the three western provinces.

And just listen to how clear and praiseworthy the agriculture minister's goals are. First, to cut costs; second—listen up all of you producers in Quebec—to encourage farmers in the West to diversify; third, to encourage them to get involved in value-added activities. In contrast, dairy producers miss out. The Minister of Finance decided to reduce the subsidies for industrial milk producers by 30 per cent. How terrible.

For all intents and purposes, Quebec accounts for close to 50 per cent of Canada's industrial milk production, so do not kid yourselves or try to tell me that Quebec producers will not be harder hit than those elsewhere. In this case, the federal government is not offering any compensation. In Quebec alone, this cut will mean close to $32 million in losses. The Minister of Finance was off target when he reduced dairy subsidies by 30 per cent over the next two years.

The more than 12,000 industrial milk producers in Quebec will see a 15 per cent drop in their current subsidy of $1.50 per kilogram of milk fat in 1995 and another 15 per cent drop in 1996. For a farmer who produces 10,000 kilograms of fat, which is the average production in Quebec, that will translate into an income loss of $2,250 this year and of almost the same amount next year. That is over $4,000 in losses.

The government will compensate these farmers by reviewing the future of subsidies in collaboration with the provinces and the industry. It is all well and good to talk about it, but that is not going to put bread and butter on the table. Contrary to the cuts in the West, the dairy sector cuts will not be implemented in tandem with any transitional measures. Talk about a double standard.

• (1235)

If we examine this question more closely, we realize that, over the long term, this measure is even more disastrous for dairy producers than it appears. With the new international figures, all sectors are going to have to adjust. In the case of sectors with quotas, like dairy production, these changes are practically already in effect. This coming July, quotas will be replaced by tariffs.

I would like to digress a moment on the subject of tariffs. You no doubt know that the United States decided it wanted to test the tariffs adopted last year, in December 1993 that is, by the 120 members of the WTO at the Uruguay round of the GATT talks. Today, they are being contested. I am really looking forward to seeing how vigorously the government will protest, just how far it will go to defend the tariff structure for dairy products, eggs and poultry.

The tariffs themselves will gradually disappear. Instead of anticipating costs and investing to provide support for dairy producers wanting to develop new niches in the market or become more competitive in order to face the music once tariff barriers relax, what do they do? They cut, they cut and they cut some more.

A dairy producer friend of mine, whom I will identify, I am sure it would please him,—Laurent Saint-Laurent—told me, when he acquired his parents' farm in 1971, that subsidies represented 25 per cent of his income. Today, they represent barely 6 per cent.

However, in the West, farmers are being compensated for the loss of subsidies by being allowed to diversify their economy so they can then compete with agriculture in Eastern Canada, which receives absolutely no financial assistance from the federal government.

They are exaggerating by cutting a number of subsidies. Western producers wanting to get into beef or pork or wanting to compete with dairy producers will therefore be able to do so with federal money. If this is what fair treatment for everyone means, I would hate to see what unfair treatment means in this country.

An hon. member: Lies.

Mr. Chrétien (Frontenac): Yes, lies, Madam Speaker.

Other budget measures will also have a strong impact, for example the 30 per cent cut in the social safety net for farmers. The Minister of Finance opposite should listen more closely, as he is the one who will cut $250 million over three years. That, too, is a three-part program. If the federal government contributes 70 cents, will the $1.00 paid by the farmer and the province be increased to $1.15? I am asking the question.

I am also concerned about the closing of two of the seven research facilities in Canada. In Quebec, two facilities will be closed, one in La Pocatière and one in L'Assomption. That is terrible.

Of the $164 billion in this year's budget, $50 billion will be used only to pay interest costs. Let me give you an example of mismanagement.

• (1240)

On April 1, 1997, after investing more than $7 million in La Pocatière in less than 10 years, Agriculture Canada will close the experimental farm in La Pocatière, the oldest one in Quebec, which opened in 1910. They are closing it now after investing $7 million. Where is this government's vision?

In closing, I urge Quebec farmers, whether they are dairy, beef or pork producers, farrow or finish operators, to open their eyes and look at the Liberal government opposite that is treating them so unfairly and inequitably.

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Madam Speaker, I rarely heard such grandstanding. The hon. member opposite would have us believe that we are not cutting deep enough and cutting too much at the same time, that we are cutting in the wrong places, and so on. Yet, the vast majority of the population told us again yesterday in a poll that the government's budget was just right, like just about everything else this government does.

The hon. member told us that the budget was next year's budget, suggesting that we did not cut deep enough this year. He then said that we cut too much this year, right after he accused us of postponing the cuts until next year instead of cutting this year.

He says that the government does not create jobs. Yet, 432,000 jobs have been created since the beginning of last year. According to the news we heard this morning, where was the highest rate of economic growth among all G-7 countries? As you may have guessed, Madam Speaker, right here in Canada. That says a lot about the comments made by the hon. member opposite.

As this is a question and comment period, I would ask the hon. member—I must say that I disagree with his comments and that I do not want to use unparliamentary language—if he knew what he was talking about when he alleged that Quebec dairy producers were being treated unfairly compared with Western grain farmers?

Does he know that Western grain farmers will lose 100 per cent of their subsidies, which represent a large part of their income, while dairy producers—1,000 of whom live in my riding—will lose 15 per cent of their subsidies, which account for 9 per cent of their income? Fifteen per cent of 9 per cent, all of which can be recovered under the production cost formula within the Canadian dairy plan. Does he know this already? And if he does, why did he say the things he just said, when he knows better?

Mr. Chrétien (Frontenac, BQ): Madam Speaker, I thank my colleague opposite, the Liberal Party whip and hon. member for Glengarry—Prescott—Russell, for his question.

It is true that he has many farmers in his riding. However, I read yesterday in a newspaper that one of his constituents, Réjean Pommainville of the FAO in the riding of Russell, said: "The withdrawal of the dairy subsidy represents 6 per cent of farm income for Ontario dairy producers". He went on to say: "We can assess at $4,500—" It is one of your constituents and not someone from Frontenac.

The Acting Speaker (Mrs. Maheu): I am sorry, but you must address the Chair.

Mr. Chrétien (Frontenac, BQ): Madam Speaker, Réjean Pommainville is not from Saint-Laurent—Cartierville but from Russell, in the hon. member's riding. He said: "We can assess at $4,500 the loss per dairy farm in Ontario".

• (1245)

How much will the dairy producers in his riding receive as compensation? Nothing! How much will Western producers receive? An amount of $2.9 billion. That is unfair. Since forty-seven per cent of industrial milk is produced in Quebec, Quebecers will be hit hardest by this budget. Dairy producers know it and I hope that they will understand some day.

In August 1995, when the Canadian Dairy Commission is asked by producers to approve an increase in the price of milk, it will probably agree and pass on to all Canadians the increase that you did not have the courage to impose. It will be a consumption tax on butter, cheese, yogurt and ice cream.

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Madam Speaker, I thank the hon. member for Frontenac for his praise of a close personal friend of mine, Réjean Pommainville.

An hon. member: A former friend of yours.

Mr. Boudria: I do not think the hon. member opposite is in any position to decide who my friends are. Mr. Pommainville can decide for himself. He is a distinguished member of the community in Limoges. His father, Armand Pommainville, who is now in his 80s, was one of the presidents of the Russell County Liberal Association. I take this opportunity to thank him for his great work for the Liberal Party.

The hon. member opposite always failed to admit what all Canadians know is true and he should know as well: we have a production cost formula for price adjustment. Also, he failed to respond to the following: why did he claim that dairy producers were in a situation similar to that of grain producers and that dairy producers were being dealt with unfairly when this is not the case?

We know full well that there is a production cost formula in place, and that there is no comparison with Western grain producers, who are loosing 100 per cent of their subsidies, which is a much higher percentage. Finally, does the hon. member not know that corn producers in his region for example, as well as many other grain producers in Eastern Canada, were not all that crazy about the Crow's Nest agreement?

Mr. Chrétien (Frontenac, BQ): Madam Speaker, there is no question in what the hon. member for Glengarry—Prescott—Russell just said. The name of his riding is so long, it reads like a newspaper. My point is that the Western Grain Transportation Act has been in force for 98 years. It has always cost billions of dollars to operate. Yes, Transport Canada did reduce the amounts involved gradually, from year to year.

If you look at the books, you will see a sum of $560 million mentioned in there. Did you know that grain was stored in hopper cars, shipped to Thunder Bay and then back to Vancouver? This system was administered by our governments, and the Liberals have been in power almost all the time since 1960. The Liberals just watched hopper cars travel back and forth at taxpayers' expense. Let us pay.

Now, they want to save $560 million in the future, while paying out nearly $3 billion. This is a disgrace.

• (1250)

How much is there for Quebec farm and dairy producers in there? Nothing, as usual; in fact, they have to make further sacrifices. Madam Speaker, our colleague, Mr. Landry, would have a question, if you would recognize him.

The Acting Speaker (Mrs. Maheu): Only 40 seconds remain. The hon. member for Lotbinière.

Mr. Jean Landry (Lotbinière, BQ): Thank you, Madam Speaker. I listened to what my hon. colleague said and I wonder if he could tell me how he would have divided up this $2,9 billion from coast to coast. Would he have divided it fairly? I would like him to elaborate on this.

Mr. Chrétien (Frontenac): Madam Speaker, you are right, I have very little time to answer a question that would require a good 15 minutes. At any rate, I can tell you that, as far as several of my constituents are concerned, and many Quebec voters, including farm producers, this budget is totally unfair and is an example of mismanagement.

Let me remind you again, Madam Speaker, that the oldest research station, in La Pocatière, was closed after $7 million was sunk into it. It had not even been inaugurated yet.

[*English*]

Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.): Madam Speaker, I wish to advise the Chair that I will be sharing my time with the member for Prince Albert—Churchill River.

It gives me great pleasure to rise today in support of this legislation and with it, to provide support for the budget presented to Canadians on February 27. I congratulate the Minister of Finance. His was not an easy task. He has worked in bringing together this country's varied interests and has delivered a budget that deserves the support of every single Canadian and every single member in this House.

The premier of Ontario has called it the most reactionary budget the country has seen in his lifetime. We had a choice. We could whine or we could take action. This budget is not reactionary but it does react to the concerns expressed by my constituents, the people of Guelph—Wellington. The Minister of Finance and the government have heard their concerns regarding tax fairness, government spending and deficit reduction.

The people of Guelph—Wellington made it clear to me they wanted action from this federal budget. They wanted a clear indication that we were to keep our promise to reduce the deficit to 3 per cent of the GDP. They wanted their money better spent. They wanted a reduction in federal expenditures. They wanted most of all tax fairness.

Last December 1 I rose in this House and reminded hon. members that my constituents believed the only way to show the world that Canada was committed to real deficit reduction was to prove our commitment to fiscal discipline. On February 27 the government presented its budget to Canadians and the world. The reaction has been very positive.

Each generation has few opportunities, if any, to fundamentally change and better its public institutions. The people of Guelph—Wellington have asked me to offer them a better way of delivering public services.

In the last election they rejected politics as usual and they rejected parties that offered only a negative view of their country. My children and the children of every one of my constituents have asked me to come to this place and restore opportunity for them and for their children. This budget gives them that opportunity and challenges all of us to create a new and better Canada.

On the surface, Guelph—Wellington has fared well in this budget. We do not have a large population of civil servants, nor do we rely on a military base. My constituents welcome the news that there are no increases in personal taxes.

A recent editorial in the Guelph *Tribune* described my community as populated by those ordinary Canadians who are fed up with high taxes, anxious to keep their social fabric and critical of government waste and spending. For my constituents' sake, the measures before us here today and the entire budget must be approved as soon as possible so that we can continue to improve their lives and the lives of all Canadians.

● (1255)

The people of Guelph—Wellington are anxious about the future. They are not wasteful in their spending. They support the government in its efforts to not only reduce spending but to spend more wisely and more efficiently. As the Minister of Finance said in his budget speech, they do not judge on the rhetoric of political parties. They judge on results.

While Guelph—Wellington may have fared better than some Canadian regions, my constituents know the budget calls on them to share the burden. They know that when the Minister of Finance completed his speech, the country changed. They know that with this change they were challenged.

The challenge they accepted is to expect less from government and to rely on resources other than government, and to work with government to redefine itself in order to make this country stronger than it has ever been. My constituents are aware that this new challenge will mean more sacrifice, and sacrifice necessary to ensure fairness, economic growth and job creation.

They have asked me to spend their money on programs that build and assist. Guelph—Wellington is a proud community. Strong and independent, it is a community whose people want what is right.

Throughout our history we have supported government that works. We have rejected the notion government should be the answer to everything that is wrong. They know government can create problems as well as solve them.

They want their federal government to serve them, to act on their behalf and to concentrate on doing what it does well. They want action and renewal, and they want us to act now.

In the last 15 months I have heard from constituents whose comments were addressed in this budget. They asked me to cut spending. Spending will be cut by $29 billion in the next three years and we have initiated the lowest program spending in relation to the economy since 1951. They wanted no taxes on RRSPs and group health and dental plans and we have for the second year in a row introduced no increases to personal taxes.

They wanted tax fairness and were concerned about bank profits, family trusts and tax evasion. We have delivered, ensuring that every region and every Canadian will pay their fair share and contribute to ensure that we will succeed.

Most of all, they wanted the deficit reduced. They were tired of governments offering unrealistic goals and giving targets that could never ever be reached.

During the election I met cynicism and skepticism at the door. Guelph—Wellington people were tired. They were fed up with representation that did not deliver and governments that could not and would not face up to the challenge.

This budget is for them. It offers them targets that can be met. It gives them goals that can be reached. It provides realistic strategies that can be measured. For the first time in years, they know government is serious about what it says and that it does what it promises.

Faced with the other option of irresponsible slashing and uncaring principles, the people of Guelph—Wellington said yes to the Liberal Party and they say yes to this budget.

It is not often that members of Parliament can debate a change so profound that future generations will look at them and thank them for making history and giving them a better country. We have this opportunity. We have the choice of criticising, of making desperate statements which support desperate policies, or we can rise above the negative and reach for the new and bold horizon.

My constituents demand nothing less of me. They demand nothing less of this government. This is not an easy budget to

accept. Change is never easy. The measures announced on February 27 will be hard on Canadians.

The Guelph *Mercury* stated in an editorial following the budget, and I quote for the Reform Party: "The finance minister did not say it would be a painless budget. He said it would be a tough budget. And make no mistake, a tough budget is what he has delivered. Tough, but alas, necessary".

• (1300)

As difficult as these measures are, we can only imagine what failure to act would mean for us, our children and our grandchildren in the years to come.

What we do in the next few months will be judged not by us but by the people we serve and by the generations that follow. We must act and these actions will mean hardship, adjustment and pain, meted out with compassion. This is the Liberal way of doing business.

Our country, like the community of Guelph—Wellington, can survive. The people of Guelph—Wellington demand no less. It is for their sake that this bill and this budget are worthy of support. It can be done and it must be done. The best country in the world deserves no less.

Mr. Jim Silye (Calgary Centre, Ref.): Madam Speaker, I would like to congratulate the member for Guelph—Wellington on her speech and ask her a question.

The question relates to the interest costs to service the debt which the Reform Party believes to be the major problem facing the country, with the deficit a contributing factor. Last year's interest costs are going to be in excess of $40 billion. At the end of two years interest costs are going to rise to over $50 billion.

How does the member for Guelph—Wellington propose to face her constituents and tell them that she will solve the rising interest cost problem by cutting program spending equal to the rise in interest costs? How she will resolve those two sides of the equation that have nothing to do with compassion but have a lot to do with responsible government?

It is totally irresponsible to face your constituents, telling them the deficit is the only problem and by lowering the deficit the problem will be solved. How she will reconcile the rise in interest costs from $40 billion today to $51 billion tomorrow? All the sacrifices to come eventually in her riding will have to be to just service the debt.

Mrs. Chamberlain: Madam Speaker, I will face my constituents very well. Already in my riding the budget is being received well and the hon. member across the way knows it is.

This has been a desperate attempt on the part of the Reform Party to try in some way to discredit a good budget. The budget will begin a process of honest reduction in all phases, at levels which our constituents have asked for. I am sure the hon. member's constituents have also asked for this.

I would ask the hon. member how he will face his constituents when they ask him why he would not support a budget that would support reductions in costs and reduce the deficit.

[*Translation*]

Mr. René Canuel (Matapédia—Matane, BQ): Madam Speaker, my colleague's constituents may be receiving this budget very well, but the people I represent in the riding of Matapédia—Matane are not.

The Minister of Finance told us in his speech, and he quoted his father, that it is necessary to plan ahead with courage and determination. I think that the Minister of Finance showed great courage and determination in looking to the least well off members of our society for money, and much timidity and hesitation in his treatment of the wealthy.

Very often, the members opposite accuse us of being negative. My honourable colleague, I am going to ask you a question and make a suggestion. I would like you to respond, positively I hope, to this suggestion. I will read you a few lines: "The Minister of Finance has deliberately avoided mentioning in this budget the large aquarium that is home to 104 elderly members of the same contented species, whose somnambulistic performance costs the government more than $42 million annually, not to mention the $349 million their former colleagues, also non–elected, draw in pensions".

• (1305)

Nevertheless, starting next year the government will quite happily go after the elderly. How is it that this budget does not touch the senators, who are costing us, who are costing the public, $42 million, not to mention their retired colleagues, who are costing a fortune?

[*English*]

Mrs. Chamberlain: Madam Speaker, as I indicated in my speech, the budget touched everyone. The hon. member knows that.

It is important to understand that we all share a pain and a burden. It is important that we all shoulder it together. It will make for a better country, as my comrade across the way said. It will make for a better country and a united Canada.

Mr. Gordon Kirkby (Prince Albert—Churchill River, Lib.): Madam Speaker, I am deeply honoured to speak to Bill C–73, a bill to provide borrowing authority for the fiscal year beginning April 1, 1995. It will allow for the borrowing of funds by the finance minister, on approval of cabinet, to finance a shrinking annual deficit for the coming fiscal year.

I begin by extending my sincere congratulations to the Minister of Finance for a budget which has won the confidence of not only the international markets but also, and more importantly, of all Canadians. The budget displays a firm commitment to Canadian values by promoting jobs and growth and by protecting the most vulnerable Canadians by looking to government first for action. The deficit is primarily being dealt with through spending cuts in a 7:1 ratio over the next three years. This means spending cuts will amount to $7 for every $1 in revenue increase.

The budget, with its emphasis on fairness, has looked to spending cuts rather than personal income taxes to achieve its goals. We heard the Canadians who told us not to raise income tax and we have not. The budget is fair. The budget closes loopholes and tax breaks for the rich. It focuses on those who are able to contribute more and asks them to do so, like the banks. We all must contribute. It does not increase taxes for the middle class.

The budget is fair to all regions of the country. The Minister of Finance has taken great care to ensure that cutbacks to the different regions are distributed fairly and equitably. Our fiscal problem is a national one. All regions need to contribute to the diminution of our fiscal problem. We must work together.

Aspects of the budget such as the Canada social transfer will enhance the flexibility of the federal system by allowing provinces to determine to a greater degree how best they can meet their specific needs while retaining a role for the national government.

I must commend the Minister of Agriculture and Agri–Food for working very hard on behalf of Canada's farmers through a very difficult budgetary process. We all recognize that every Canadian must share in the reduction of the deficit. Canadian farmers are not excluded from this effort. They have shown a willingness to participate before, they have shown resilience before, and I am certain they realize the necessity of the changes before us.

Spending has been reduced. However, farmers have always said that given good opportunities they would prefer not to be subsidized. Farmers are ready to adapt and succeed and they will again. These changes outlined in the budget affecting grain transport, income support and stabilization, trade, marketing, research, adaptation and rural development will reduce the cost to government but they will also improve efficiency and competitiveness to encourage economic diversification, value added production and processing. This will give farmers the opportunities they have always wanted.

In Saskatchewan the transportation subsidy known as the Crow rate provided cheap transportation of raw agricultural products but it also created an economy of dependence and inefficiency and in some cases was detrimental to the environment.

• (1310)

We needed to change the way we think about subsidies and transportation, not least because of the realities of the World Trade Organization which limits trade distorting subsidies. Farmers need to take a leading role in adhering to the principles of the World Trade Organization. I know that European and American subsidies will also decline. It is my view that Canada has much more to gain than lose when dealing on a level playing field because Canadian farmers have the highest quality products and are already the most efficient in the world.

Our priorities are cost efficiency and effectiveness in growing, moving and selling grain. Farmers will benefit from this and they will become more and more able to determine their own financially secure futures. Their reduced reliance on subsidies means that governments will be able to focus in an efficient and effective way on the things that government does best, providing assistance for people to adjust to the changing times and providing information on new markets and new production opportunities.

We will not leave the farmers to adjust to this change alone. They will receive a one time payment of $1.6 billion to assist them in the transition.

Our fiscal realities must be addressed. The government has faced these challenges fairly and in every area. Reduced spending is the golden opportunity for economic growth. Reduced spending helps to be more acutely aware of local economic opportunities and less enamoured with regulation and control where it is not necessary.

Let me share two examples from my riding of Prince Albert—Churchill River where relaxation of government regulations will allow and promote economic growth and jobs.

First, at the federal level the Freshwater Fish Marketing Corporation has a monopoly at present over the marketing and processing of freshwater fish. In the past this served the fishermen well, but it has outlived its usefulness. The government must break inefficient monopolies like this one. In doing so a local fish processing plant within the riding will bring jobs and growth to the area and give greater support to northern fishermen with better prices for raw product.

Second, at the provincial level SaskPower has a monopoly over the generation of electrical energy in Saskatchewan. If this monopoly is allowed to be opened up in a sensible way, local initiatives could react more quickly and efficiently, and provide electrical energy at reduced rates. Weyerhauser Canada would be able to build an electrical co–generation plan which would make it more competitive while maintaining exacting environmental standards and enhancing environmental protection.

This may open the door for the further expansion of Weyerhauser's pulp and paper production capacity. The possibilities for economic spin–offs are great. These initiatives mean jobs, they mean growth and they mean a prosperous Prince Albert—Churchill River.

We must strike a healthy balance for the role of government in economic development. We must facilitate growth and allow for local initiatives to flourish. We must provide the context for a dynamic and innovative economy, unimpeded by the dinosaurs that have monopolized the economy in the past.

Governments cannot afford to be economic and social dictators any more. They can afford to be enablers of growth, enablers of individual community, provincial and national creativity, economically and socially from coast to coast.

Too much government money has created in us the belief that government can fix everything. It cannot. It has created economic and social dependency. The budget and this bill have set Canada on a course where people will be free to succeed. They will be free to build that sense of community, of caring and sharing that has been eroded by the misplaced belief that government can and must do everything. Governments will now be free to be true partners with one another and the people, a partnership that will result in economic growth and an even greater feeling of compassion and community.

Yes, we are all responsible one for the other. Because we borrow less money, because we use less money, we shall be free to prosper together and to help one another.

Once again, my sincere congratulations to the finance minister who has done a great job with a great budget.

• (1315)

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Madam Speaker, I have two questions for the member for Prince Albert—Churchill River.

The first one is with regard to agriculture. During the election campaign I heard this member and many of his colleagues from Saskatchewan defending agricultural programs, saying they were going to defend the farmers, that these things would not change, that the funds would keep coming.

By what reasoning can he defend his government's actions of drastically reducing the funds farmers receive? We came clearly up front during the election and said that we would take these funds and there would be a reduction. However, those funds would go into an account that would help prepare the farmer and protect him from subsidies by other foreign nations. Now the farmer is left with nothing. How can the member possibly reconcile this new radically different position from what they said during the election?

The second question is with regard to the MP pension plan. I am wondering how this member can justify borrowing money to pay himself and his colleagues a huge pension.

Why is it important to opt out of the MP pension plan, a very extravagant plan? It is important that we set the example. We can always find excuses about why we deserve more and how we ought to have more. If we realize as parliamentarians what a mess this country is in, I am wondering if we do not have to start by setting the example.

I was recently asked a question after this was announced of whether the MP pension plan will hurt me personally. Of course it will. If I opt out, it is as if I had the winning ticket in a lottery and never went to pick up my million dollars. Of course it will hurt. I will always know and live with that fact, that I could have gone back to my constituents and justified the fact that I deserved that money. However, I think there is a time when principles count for something. We are opting out to signal to Canadians how serious our problems are. I am wondering how this hon. member can justify borrowing more money to pay MPs an extravagant pension.

Mr. Kirkby: Madam Speaker, the hon. member opposite indicates that he listened to me and my hon. colleagues say something different than what is happening now in relation to agricultural subsidies. It is quite obvious that he was not paying close attention to what was happening in Prince Albert—Churchill River if that is what he thinks.

It has always been my position that while we do need agricultural support programs, we need them at such a level where they are adequate and predictable, where they are not changing week after week as has been happening in Saskatchewan over the last number of years, where everybody is going to know what the rules are.

Specifically with respect to the Crow benefit, it was indicated during the election that what would happen with the Crow benefit was subject to what happened at the GATT negotiations which occurred after the election. This was clearly stated to the public, to the farmers. The GATT negotiations necessitate change and we are doing the change, which is exactly what we said during the election campaign.

With respect to the hon. member's talk about MPs' pensions, when members of the Reform Party opposite table in this House a letter from the Alberta government saying that one of its members no longer accepts a big pension while he is sitting here as a member of this House earning a salary, when the hon. Reform Party also sets forth a letter from national defence and the RCMP saying that members who are retired from those areas are not getting those federal pensions, then perhaps we can talk

about the views of the federal pension plans. There is a great deal of hypocrisy within the Reform Party on the issue of pensions.

This government said exactly what it would do in the red book with respect to MP pensions and has gone even further than it said in the red book. This government lives up to our commitments. We lived up to them before. We will live up to them in the future. The judgment has been made by the international monetary markets and all Canadians as to the success of our budgetary endeavours.

• (1320)

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Madam Speaker, I will be dividing my time with other Reformers.

I really become frustrated every day as I sit in the House. Every time Reformers rise to speak on behalf of average Canadians we are met with laughter, jeers, derisive comments from the Liberal Party. I began to wonder why we are mocked and ridiculed when we have the courage to be up front and honest with Canadians.

I did not come here to be on a power trip. I came here to solve the problems. The biggest problems we face are the national debt, the annual deficits and rising interest costs.

I have four teenage children who will pay over half of their income in taxes for the rest of their lives for the mistakes made by the Liberal Party during the past 25 years. Through my work in this House I hope and pray that my grandchildren will be able to see their taxes go down.

I hear the Liberals already saying it is not their fault, that the Tories were in power for nine years. That is a very lame excuse because not once in those nine years while the Liberals were the official opposition did they tell the Conservatives to get their spending under control, balance the budget and put a cap on increasing interest payments.

The Liberals protested every cut and they wailed for more government spending on social programs that do not work. The Liberals are responsible for the fiscal mess this country is in and even now while they are in power they are unwilling to face the painful truth.

During the 1993 election Reformers told the truth about the state of the country's finances and our zero in three plan. The Liberals put out a red ink book which played politics and ignored the truth.

In the taxpayers' budget we introduced last week Reformers told the truth. This week the Liberals introduced a budget which once again ignores the truth and plays politics. Because this government keeps putting off the inevitable it is slowly destroying the country.

The Liberals keep cutting back on programs and services, increasing taxes. Because they do not cut enough to balance the budget interest costs keep going up and the federal government keeps going deeper into debt.

Reformers have proposed two plans to get off this deficit and debt treadmill and the Liberals ignore the truth when it is as plain as the numbers in the budget in front of them.

This deficit is like a cancerous tumour, eating away at our flesh. It is making us sick and preventing us from living a healthy life. The most compassionate operation one could do is a surgical removal of this deficit tumour. Instead the Liberals operate very year just cutting out a little, letting the cancerous deficit tumour keep growing. As it grows it eats up more and more of pensions, welfare, health care and the programs run by the government. It does not take a rocket surgeon to figure out that the most compassionate thing one can do is undergo the pain of removing the tumourous deficit as quickly as possible.

Bill C–73 is a disgrace. This bill is a confession of failure by this government and past governments. This bill clearly demonstrates how firmly entrenched annual deficits have become to feed the federal government's overspending addiction. This bill provides the evidence that governments past and present have been unable and unwilling to live within their means.

While many Canadians will think we are debating the budget today, I would like to clarify that we are debating a bill which shows the failure of all previous governments during each of the last 20 years to balance their budgets.

• (1325)

Each year we debate a bill like this one to give the federal government the authority to borrow the billions and billions of dollars which it says it needs to make life better. Canadian taxpayers are waiting to elect a government that will tell them the year when there will be no need for the government to introduce a bill giving it authority to borrow money.

This bill asks Parliament to give the government authority to borrow $28,900,000,000. I think it would be very interesting for Canadians to know something about the process. It has become so commonplace, so routine for the government to borrow billions of dollars each year, year after year, that it even has a permanent standing order in the House of Commons which limits debate on this bill to two sitting days during second reading. Not only does the government want Parliament to give it authority to borrow billions of dollars every year, it also does not want to give opposition parties or even taxpayers enough time to properly debate questions or propose alternatives for the government to consider.

The Liberal party says it needs money, fast; do not take too long about it either. Two days of debate is lots. How many

questions can we ask about borrowing $28.9 billion anyway? No amount of debate, no amount of intelligent questions, no amount of committee meetings, votes, amendments or motions to reduce the government's estimates is going to change one thing anyway, so why bother? Why bother debating it?

Liberals think that debating the budget or this borrowing bill is a complete waste of time. They think this because they know that when all is said and done, when the debates, when the questions, when the analysis are over they will not have changed this budget one cent. All this talk that we do in here every day has absolutely no influence on what is decided in those back rooms.

This budget is a disgrace because it spends too much, it cuts too little and it gives no hope to Canadian taxpayers that the Liberal government will ever be able to produce a balanced budget. This budget is a disgrace but this budget process is an even bigger disgrace. The process is a disgrace because it goes against common sense and against democratic principles.

Why can 295 members of Parliament not enter into an intelligent debate? If the majority agrees that there are more or better ways to save taxpayers' money, why would the government not agree to implement the recommendations? Why is the most important piece of legislation which the government brings down every year set in stone? Why will the Liberal government not allow Canadians to have input through their democratically elected representatives at this most critical point in the budget process? Does it honestly believe that this budget is the best there can possibly be? Does it honestly believe that every dollar outlined in the estimates is essential?

New ideas are developed every day, but this government says that it cannot change the budget. It needs to borrow $28.9 billion and nothing we can say or do will ever change its mind. Is that any way to run a country?

Any changes which we as Reformers suggested are scoffed at, even in committee. Not one change took place from all the changes I suggested. Some of the changes were small and none of them took place in that committee, which handles more money than any other committee.

If a Reform government were in power today it would have the budget balanced by 1998 and the Government of Canada would no longer need a borrowing bill. If a Reform government were in power borrowing bills would not be a routine occurrence year after year. A borrowing bill under a Reform government would be a rarity. Under a Reform government a borrowing bill would be such a rarity that taxpayers would want to know what fiscal or natural emergency brought about the occurrence. They would be asking their members of Parliament to rise to ask the government what had happened. It would be a national news story. What we are doing here today will not get any press. I would be surprised if it did.

There are two extremes in this debate. On the one hand the Liberals want to limit debate on borrowing $28.9 billion to two days during second reading in an attempt to circumvent the democratic process.

• (1330)

On the other hand, the Reform Party is proposing to implement a taxpayers protection act that would limit the ability of majority governments to run spending deficits, raise taxes and borrow money. Our taxpayers protection act would force governments to balance their spending and taxes over the course of each business cycle. It would put a cap on government spending and taxation. Eventually our taxpayers protection act would be entrenched in the Constitution to prevent future governments from changing it.

In closing I point out the major failing in the government's budget: the government is actually transferring more to banks in interest payments than it spends on social programs.

In this fiscal year the government will spend $49.5 billion on interest payments and $49.2 billion on social programs, which include old age security and pensions, health transfers, education transfers, welfare programs, and equalization payments to the provinces.

In 1996–97 the Liberals project that interest payments will be over $50 billion a year. Not only do the Liberals have to cut more spending to balance the budget, but every dollar that Liberals spend in interest payments is a dollar they cannot spend on social programs.

This is a failure. The bill is a disgrace. The process is undemocratic. I am frustrated with the House of Commons and what goes on here. We need to be taken more seriously.

Mr. Ovid L. Jackson (Bruce—Grey, Lib.): Madam Speaker, I thank the member for Yorkton—Melville for his input. Many of us on this side listen to what they have to say. I know whenever there were good ideas that previous governments sort of gobbled them up and used them as theirs.

I will make a couple of comments and then I will ask a question. One comment I hear a lot in the House from Reformers is about the red ink book. I am the member for Bruce—Grey and I want to tell them that the word redd means cleaning up a mess and getting the house in order. That is exactly what the government is doing.

In the sixties we had problems with a fuel crisis. There were mechanics who fixed old fashioned cars with carburettors. However, modern cars from perhaps 1993 onward are distinctly different; they do not have carburettors. When drivers put their foot to the floor in cars with carburettors, a certain volume of air came in through the carburettor, mixed with the fuel, and the fuel was dumped out the exhaust.

Modern cars have from one to four computers. When drivers switch on modern cars the computers react to the temperature outside. If it is zero degrees they know exactly what kind of fuel is needed. There is no RPM from the RPM gauge. There is no air flow through the manifold pressure sensing devices. The computer plugs in the value. The car starts and goes into what is called an open loop. In that open loop the computer triggers. The oxygen sensing device senses the fuel coming out of the carburettor. It knows that maybe it is too rich and sends a message back to the computer. The RPM works and so on and so forth.

I am using this analogy because the government is like the modern devices on cars. We have people with the talent and ability, such as the finance minister, the Prime Minister, members of the cabinet and members of the government including the rump over there, to adjust to new conditions.

In the case of a brand new car, if drivers want to pass they put their foot to the floor. The air conditioning system and everything that is not necessary are shut down. That is the first thing that happens.

The government found itself in the position where there was debt that had been incurred over two decades at which time no government had the political will to do what we are doing. We are chopping $29 billion over the next three years. We have contingency funds. We have gold reserves. We have dollars to back up situations when the interest rates rise to make sure that we can look after that particular eventuality.

• (1335)

In addition, we are not like members opposite who open the hood of a new car and shut it because they do not know how to fix it. They come back with old–fashioned ideas, looking for the carburettor that is not there or looking for some other device that is not there. That is their problem. If they have great ideas to suggest to the House, I assure them we will accept them.

What would the Reform Party do to repatriate our foreign debt?

Mr. Breitkreuz (Yorkton—Melville): Madam Speaker, that is an interesting question. I listened to the preamble and the question had nothing to do with what he was telling me. There was absolutely no relation. It is the typical Liberal approach to a problem.

We have a huge government problem. The Liberals tinker with it a bit, make a few minor cuts and tell everybody how great it is that they are making these cuts. They do not look at the overall picture.

I like his example of cars with carburettors. The government is choking off the economy. If they put in too much gas, if they borrow too much money and have a government that is too big, they choke off the economy. That is what the government is doing. The government really does not have much of an idea about how the economy works.

I also like his analogy of using the colour red, because very often it means bleeding, bleeding, bleeding the taxpayer to death.

In conclusion I say again that the process is undemocratic. When I go home I am overwhelmed and humbled by the support I get. It is dishonest of the government to make fun of us.

Mr. Monte Solberg (Medicine Hat, Ref.): Madam Speaker, it is a real pleasure to stand in the House today to address the request of the government to borrow $28.9 billion, something that has become an extremely bad habit that the government must soon break before it breaks the country.

It is very important to put that $28.9 billion in perspective. As people in the House know, but perhaps the public is not aware of it, we have a debt today of $551 billion. It is one of the highest debt to GDP ratios in the world. We have huge problems with respect to the amount of overspending we have done over the last 22 years. I would point out that over that period of time mostly Liberal governments have been in place.

It is even more discouraging that the government has set a goal for itself: to spend another $100 billion more than it takes in during the four years before its mandate is up. We will have a debt of over $600 billion before its mandate is up. I find it shocking. I find it alarming. However, the government has put that into its plans. It says that somehow it is a good thing and the rational way to proceed. I reject that.

Let us talk about what happens to an economy when a government continues to overspend day after day and year after year. I invite hon. members across the way to look at what has happened to the unemployment rate and compare it to the rise of the debt and the deficit. They move in parallel courses, both rising upward very sharply. I find that quite alarming.

I invite members across the way to note that tax levels have rocketed upward with the debt and the deficit. That impedes the ability of the economy to produce jobs. By the way, I point out to my friends across the way that governments do not produce jobs. Business does. When they take credit for 450,000 new jobs being created, it is an insult to the business people who work everyday to make a living, to make a profit to support their families.

A country is a lot like a river. There is a tremendous amount of power in a river when it shoots down a river valley. It can produce a lot of good when there is a water wheel or a turbine in that river; as the river goes rushing by it produces a lot of energy. There is a tremendous amount of good out of that.

Governments are a lot like dams. The good governments are very small dams. Mostly they allow the river to keep flowing, to push forward to the sea, its ultimate goal. The bad governments are the very big dams. Those big dams are constructed when governments continue to overspend and overregulate. They

build the dam up bigger and bigger. Pretty soon the river quits flowing and the economy as a parallel stops.

• (1340)

We now have a huge dam on the river. We have a lot of water sitting dormant. I equate that to all the potential productivity in the country that is not fulfilled because it has to sit there. Then there is the water that evaporates from the dam. I would equate that to all the people who have left the country. I am talking about people with high skill levels and lots of capital who can go to other jurisdictions. Many of them have. We see doctors fleeing across the border. We see businesses running across the border. I admit the NDP government in Ontario has not been a big help; it has contributed to the problem.

We also see a lot of the water ending up in a backwater in sloughs. I equate that to people stuck on social programs who see no hope coming forward because the government has created safety nets that are more like fishing nets. People get caught in them and are unable to escape.

Unfortunately the human resources development minister has failed completely to come up with a new way to provide social security for people while at the same time not remove incentives to work.

The final thing that happens with a big dam is that eventually trickles of water start to undermine the dam or go around it because they flow up over the riverbank. I would equate that to the people who have joined the underground economy and are continuing to pursue their dreams in spite of the government and not because of it. More and more of that is going on all the time.

The last subject I want to talk about is my children and everybody's children. I phone home at night and talk with my youngest little boy who is six years old. I hear his little voice on the other end of the telephone line. I find it very exciting. I sit and talk with that little twerp for a few minutes about how his day was and what kind of aspirations he has. I talk with my 10–year–old about the same sorts of things. I find that very uplifting. At the same time I find it very sad.

Like everybody in this place and like Canadians everywhere who have hopes and dreams for their children, grandchildren, nieces and nephews, I get discouraged and angry when I hear that the government is planning to load another $100 billion on to the backs of those children. Government members laugh about it. They sit there and laugh about it like they are doing right now. That makes me fighting mad.

I am telling members across the way that if they continue to do this they will have to bear it on their consciences. It is a big joke to them. They sit and laugh about it. However, Canadians do not laugh about it. They will pay a huge price the next election when they have to explain how they can justify adding $100 billion to the debt, driving people out of the country, driving jobs out of the country and destroying the social safety net.

When will they have the guts to do the right thing: start cutting, get the economy back on track and get a handle on the debt and deficit? I can hardly wait for them to stand and challenge me on questions and comments because I have some questions of my own.

Government members sit there blithely joking about the fact they will borrow another $28.9 billion. I hope they can explain it next week to their constituents who have children like I do and like most of the people in this place and are wondering how in the world they can pay back those bills after 22 years of overspending.

I appreciate the chance to talk to government members about this matter. I truly hope they get the message not only from me but from taxpayers across the country who are fed up with 22 years of overspending.

• (1345)

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe, Lib.): Madam Speaker, I listened with interest to the hon. member's speech. Maybe he has not had a chance to read the newspapers today. In Ontario there has been a 78 per cent acceptance of the budget as it was presented. The lowest percentage of support in Canada was in Quebec and that was at 55 per cent. All the other provinces fell in between those two figures. What we have presented to Canadian taxpayers is a fair but lean budget, which is exactly what they called for. That is what my constituents called for.

I would like to challenge the hon. member because I have had a chance to read the budget which his party presented. What I read was something similar to the doctor saying to the family outside of the operating room that the operation was a success but unfortunately the patient died. The Reform party is talking about cutting $15 billion from social security. I would like to know from the hon. member where he would cut that $15 billion from something that is the fabric of this nation.

Mr. Solberg: Madam Speaker, I reject very much the hon. member's premise which is that the social safety net is somehow the fabric of this nation, as though people in this country cannot somehow create their own tremendous culture by virtue of their own dreams and aspirations and in what they contribute to the country.

Having said that, I would be happy to answer the hon. member's question. He has asked where we would cut and we laid it out explicitly, unlike the government. During the election campaign government members said not to worry about social programs, they were not going to touch them. A year later, of course, they did a tremendous flip–flop. The hon. member for Notre–Dame–de–Grâce announced that the government has flip–flopped on its red book promises. There is still $20 billion that the government will have to cut to get its deficit to zero, at

least $20 billion by its own projections, and it has not laid out how it expects to get there.

Is the government telling people everything? Is it really not going to cut any more social programs, like it says, or is it going to get to zero like it tells people? It cannot be both ways.

We have been very up front with people. We said we would cut $15 billion. We would cut $3 billion out of old age security. It will go from $20 billion to $17 billion. We would make big cuts to transfers for welfare. We have said that. We are not embarrassed at all to say that. We know that we have to do that so that ultimately we will not allow social programs to completely unravel. We have to make those cuts.

I would like to emphasize again that for the hon. member to say somehow Canada is a social safety net is ridiculous. People who work every day for a living look at that. People who contribute to the economy and make great contributions to the culture of this nation look at that and say if that is the best we can do to become a country, produce some bloated government bureaucracy to come up with a bunch of social programs, that is not a country at all. That is a social welfare state. The hon. member across the way does not understand the country at all.

Mr. Nelson Riis (Kamloops, NDP): Madam Speaker, I listened with interest to my friend's version of the new trickle down theory. He elaborated so much that it became a river flow for a while.

It has always intrigued me how the Reform party—and I say this with all respect because I believe it is serious when it makes these proposals—believes that somehow if we reward the rich and the wealthy the benefits will eventually trickle down to regular folks. I want to say to my friends in the Reform party that Canadians are fed up with being trickled on. For years and years there has been this trickle down approach, first from the Tories and now from the Liberals with the encouragement from my friends in the Reform party.

I listened carefully to my hon. friend's presentation today. The impression he leaves is the country with the least amount of government is the best country. By that definition countries such as Africa would be booming in terms of their economies and things would be great.

• (1350)

The fundamental reason we are the number one place out of 192 countries in the world in which to live and raise a family is government programs of all sorts.

What country in the world would he hold up as a model of his approach; in other words, an example of less government, fewer social programs?

Mr. Harris: Madam Speaker, on a point of order. While the member for Medicine Hat was on debate he was referring to his relationship with his children and the hon. member for London—Middlesex was hurling comments across the floor directed at the hon. member's children.

I find that absolutely reprehensible.

The Acting Speaker (Mrs. Maheu): I do not believe that is a point of order. The hon. member for Medicine Hat, very briefly.

Mr. Solberg: Madam Speaker, in response to the member for Kamloops, I guess the country I would hold up is the country that Canada used to be. There was a time when people were counted on to rely on their own resources to a great extent to find their way in the world. They did that most admirably and it enabled us to build a social welfare state that would protect the people who could not look after—

The Acting Speaker (Mrs. Maheu): Resuming debate, the hon. Minister of Public Works and Government Services.

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Madam Speaker, it is a real opportunity for me to participate in this debate and to share with my colleagues on all sides of the House the activities that my departments and agencies will be doing over the next 12 months and for the next three years.

I want to take this opportunity to congratulate my colleague, the Minister of Finance, who tabled the budget here on Monday of this week, which addressed a number of fundamental problems that the Canadian government has been faced with not only for the last year and half but for the last nine or ten years.

I want to congratulate my colleague, the Minister of Finance, on facts which are indisputable. For instance, over the last year there have been 433,000 jobs created in this country. The unemployment rate has fallen by 1.7 per cent. I think all members will recognize that although that is encouraging it is certainly not enough. However, it is a positive indicator.

Exports are at a record breaking level, something Canadians ought to be proud of. As we export our products it means additional investment for Canadians and thereby jobs for Canadians whether they are in New Brunswick or in other parts of Canada, including Ontario and western Canada.

Inflation is the lowest in three decades, another factor that ought to be taken into consideration. Canada had the best economic growth of any major industrialized country in 1994. Canada is set to have the best job creation record and the best economic growth record of the G–7 countries in 1995.

If that is not an indication of support for the Minister of Finance and the plan that he put before Parliament in 1994, as he did here on Monday evening, I do not know what further affirmation one could get to say that we have the full confidence in the Minister of Finance and the plans he has laid before the people of Canada.

• (1355)

I think many members would recognize that I do not like to be partisan in debate, and therefore I will select a quote from a newspaper today which I believe stated that 78 per cent of the people in Ontario, the largest province in this country, supported unequivocally the budget of the Minister of Finance.

This budget, as I have said both privately and publicly, is a tough budget because it affects the lives of a lot of Canadians. In my own departments and agencies there are some substantial reductions. I offer to the House, as I believe I did on a previous occasion, that there would be substantial cutbacks in Public Works and Government Services Canada. Over a three–year period my department will contribute toward reducing the deficit in that particular department in excess of $350 million. There are 5,263 employees who will be dislocated as a result of this federal budget. Those who have the audacity to suggest that kind of measure is not a tough measure are missing the point.

I realize I only have a few moments but I want to share with the House a couple of important features of the budget, particularly in my Department of Public Works and Government Services. Canada Mortgage and Housing is reducing its expenditures in order to contribute toward the deficit. The Atlantic Canada Opportunities Agency over a three–year period will reduce its expenditures by $173 million with person years being displaced.

The Royal Canadian Mint will try to contribute to increasing the revenues for the Government of Canada by the introduction of the $2 coin and by reducing the composition of the different coins, thereby providing additional revenues.

I know members wish—

The Speaker: My hon. colleague, we are all waiting with baited breath for you to continue your words and of course when we return after Question Period you will be recognized first off.

It being two o'clock, we will now proceed to Statements by Members.

S. O. 31

STATEMENTS BY MEMBERS

[*English*]

NORDIC WORLD SKI CHAMPIONSHIPS

Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.): Mr. Speaker, it is with pleasure that I inform this House that for the first time in history the Nordic World Ski Championships will take place in our country in Thunder Bay, Ontario from March 9 to 19.

Picturesque Thunder Bay and its hospitable residents will be host to over 40 nations for this 11–day sporting event, including over 800 skiers, coaches and trainers, over 500 international media, over 200 officials and 50,000 spectators. An expected audience of over 400 million viewers will observe the action by satellite, including 31 hours of prime time coverage in Europe.

This spectacular event has been made possible because of the dedication of thousands of volunteers from the area and the continuous support of the Minister of Canadian Heritage and his staff.

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[*Translation*]

JOB CREATION

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, not only does the Minister of Finance's budget target the poor once again, it offers nothing to stimulate employment. The minister himself implicitly recognizes that fact, since he predicts no improvement regarding the unemployment rate, which currently stands at 9.7 per cent for Canada and 12 per cent for Quebec.

Not only does the budget include no job creation initiatives, it delays the infrastructure program, the only measure announced in the previous budget to stimulate employment. The infrastructure program, which was initially designed as an emergency measure to stimulate employment following the recession, will now be spread over five years.

One cannot help but wonder if the minister lives on a different planet. Is he not aware that, to get back to the pre–recession employment level, close to 800,000 jobs must be created in Canada? It is time for the minister to get to work on that.

* * *

[*English*]

IMMIGRATION AND REFUGEE BOARD

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, today with no notice to either the press or the opposition, the immigration minister announced that in the IRB, single members will replace panels, a treaty is under way with the U.S. to

stop refugee claimants at the border, and cost savings, if any, will go to overseas selection of refugees. That is amazing.

In our paper on refugee determination, we called for only one person to hear claims. We called for denying the hearings to those who had travelled through the U.S. We called for inland cost savings to go overseas. I am glad this minister read our paper. If he really wanted to reform the process then he would stand up to special interests, scrap the IRB and restore some real common sense and accountability to the system.

Today's announcement will not make the system more accountable. It does not guarantee that the world's highest refugee acceptance rate will go anywhere but up. It does not do what needs to be done. That is altogether typical of the immigration minister: lots of talk but no real reform.

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CUVÉE 1995

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, Cuvée 1995 is a three day celebration of Ontario's excellence in wine making. This weekend from March 3 to 5 wine makers and wine lovers from across the province will come to Niagara for the special celebration of Ontario wines.

The excellent reputation of Ontario wines continues to spread around the world. Ontario wines have received many international awards. Our own colleague, Gary Pillitteri, won a silver medal for Riesling best buy at the World Wine Championship in Chicago.

Last year, Cuvée 1994 presented a record number of wines for tasting from 30 of Ontario's wineries. This year promises to continue the great tradition which is now in its seventh year.

I invite all Canadians to Niagara to taste the excellent wines of Ontario.

The Speaker: I am sure the hon. member inadvertently mentioned the name of another member of Parliament. Sitting members of Parliament should be referred to by their riding.

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THE BUDGET

Mr. John Cannis (Scarborough Centre, Lib.): Mr. Speaker, one of the most distressing responses that came out pursuant to our budget was the intellectual dishonesty which emanated from the premier of Ontario and his finance minister. Their answer to the budget was to inform the citizens of Ontario that it will result in fewer health benefits and fewer hospital beds, even though Mr. Laughren admits the hit means a meagre 2 per cent cut in provincial spending.

I was dismayed to hear this, but not surprised. It reveals the NDP mentality whose knee–jerk reaction is to punish the people of Ontario for electing a federal Liberal government, a government which has a post–budget approval rate of 63 per cent, an all–time high.

This does not have to be. We are giving the provinces the power to develop and apply solutions to their regional problems as they see fit. If they are not content with the amount of dollars given, let them tighten their belts as we are doing ours. However Premier Rae wants to tighten other people's belts. He would prefer to cut down on hospital beds but gives no thought to cutting his own government's waste and especially so—

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MEMBERS AND PAGES HOCKEY GAME

Hon. Warren Allmand (Notre–Dame–de–Grâce, Lib.): Mr. Speaker, last Wednesday we held the annual pages versus MPs hockey game. On this occasion the MPs won back the Challenge trophy which they had lost to the pages in 1993. Some Reform members suggested this was due to the fact that there were no longer any Conservatives with the team.

The game was notable in that this was a rare occasion when Liberals and Reformers co–operated in a winning effort. I must say it was also notable for the good spirit between the pages and the members.

The pages are to be congratulated for their great effort and for their accomplishments at gender balance. Several women played for the pages while none played for the MPs, although invited to do so.

Our thanks go to the members from Kindersley, Prince George, Macleod, Nickel Belt, Prince Albert, Halifax West and Algoma who all played an active role in the victory.

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[*Translation*]

FEDERALISM

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, the statements made yesterday in the Outaouais by some supporters of federalism are beyond comprehension.

• (1405)

How can the mayor of Hull, Yves Ducharme, seriously claim that the loss of 14,000 jobs in the Outaouais, as announced in Monday's budget, will stimulate the economy, after saying to the Commission sur l'avenir du Québec that independence would be catastrophic because it would result in job losses in the public service? How ironic!

The chairman of the Outaouais urban community, Marc Croteau, went even further by claiming that the federal budget would force the region to diversify its economy. Either these gentlemen do not understand anything about the economic issues in their region, or else they are trying to fool the public by

promoting federalism in the Outaouais to further their own interests.

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[*English*]

THE BUDGET

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, just when the province of Alberta gets its own fiscal house in order, the Liberal Party of eastern Canada has once again swooped in and hammered her taxpayers.

The elimination of the public utilities income transfer tax is nothing more than a selective tax grab against Alberta's private sector which will raise gas and electric bills for all Albertans. The Minister of Natural Resources has truly shown us that Ottawa has become her primary residence. It is blatant partisan political endeavours like this that make Calgarians now question the closure of CFB Calgary.

Was this an economic decision in the best interests of the country or a political cheap shot at a city that sent six Reformers to Ottawa? Calgarians want to see the books. Show us this is truly a money saving measure and not a lesson for not voting Liberal.

Like all Albertans, Calgarians are prepared to tighten their belts as long as it is fair. As a reminder to the Prime Minister, no matter what the Liberals do politically to the west, Alberta will keep sending fiscally responsible Reformers to Ottawa.

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THE BUDGET

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, the red book says: "Canadians with young families need a support system that enables parents to participate fully in the economic life of the country. That is why the availability of child care is an economic issue".

That is what the red book says. That is what the government promised the people of Canada. However, was child care even mentioned in the budget? Not a word. Now with the decision to proceed with block funding to the provinces, the federal government relinquishes what little influence it has to encourage the provinces to invest in child care.

Also, by slashing billions of dollars from provincial transfers, the government has reduced the ability of the provinces to offer quality child care. This is tragic. What does this say about a country that has turned its back on its children?

Children are our future. Young people are our future. Was the term youth even mentioned in the budget? Unfortunately not. Foreign bond traders and currency speculators may be happy with the budget, but what has the government done to our children and our youth, especially those in need?

* * *

ORDER OF CANADA

Mr. Stan Keyes (Hamilton West, Lib.): Mr. Speaker, last night I had the honour of witnessing the appointment of John V. Basmajian to the Order of Canada as well as the promotion of the Right. Hon. Ellen Louks Fairclough within the Order of Canada at Rideau Hall.

Ellen Fairclough is widely respected and admired for her outstanding political, social and cultural contributions to Canada. In addition to representing my riding of Hamilton West in the House of Commons from 1950 to 1962, her appointment to the position of Secretary of State in 1957 made her Canada's first woman cabinet minister.

Professor Emeritus at McMaster University, John V. Basmajian greatly influenced generations of physicians in training. In addition to inventing several widely used medical devices, he is also a pioneer in the area of electromyography, which had a significant impact on the development of biofeedback techniques used for rehabilitation following injury to the central nervous system.

I know all members of this House will join me in honouring two outstanding Canadians: Professor John V. Basmajian, OC and the Right Hon. Ellen Louks Fairclough, PC, OC.

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HEALTH CARE

Ms. Beth Phinney (Hamilton Mountain, Lib.): Mr. Speaker, I want to congratulate the finance minister for maintaining in his budget the high level of national standards of our health care system. Although the member for Yukon stated yesterday in this House that the government had no intention of maintaining national standards in our health care system, nothing could be further from the truth.

Fears by the New Democratic Party of pending doom in the upcoming provincial elections should not encourage them to distort the honest truth about this government's commitment to health care in Canada. The Minister of Finance has made it clear in his budget that "the conditions of the Canada Health Act will be maintained. Universality, comprehensiveness, accessibility, portability and public administration of the Canada Health Act are fundamental for this government".

A Liberal government created our national health care program and we continue to earn the trust of Canadians by ensuring the continuation of this program.

• (1410)

NATIONAL UNITY

Mr. Brent St. Denis (Algoma, Lib.): Mr. Speaker, more good news from Algoma riding.

Recently, a group of students from Elliot Lake Secondary School led by teacher Lindsay Killen invited Canadian high school students to write the leader of the Bloc Quebecois and the premier of Quebec to express their desire for a strong and united Canada. So far, the response has been tremendous. The group has received positive feedback from students across Canada.

Yesterday I had the pleasure of welcoming a delegation from Elliot Lake with over 1,000 letters from area students regarding their views on the importance of national unity and their love for Quebec.

I want to send a heartfelt thanks to the Bloc members for Portneuf, Saint–Hyacinthe—Bagot and Québec Est, who graciously received these letters on behalf of their leader. They greeted the students with respect and sincerity. I was pleased with the open, caring and honest exchange of viewpoints on the issue of the future of our country.

This positive initiative demonstrates the youth of our country are genuinely concerned about the future of Canada. I salute the students of Elliot Lake Secondary School for their efforts in promoting national unity.

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[*Translation*]

REFERENDUM DEBATE

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, the hon. members of the Bloc Quebecois condemn the remarks made yesterday by Senator Jean–Louis Roux during "Le Point" on the French network of the CBC.

It is simply horrible that this senator from Quebec should make a comparison between the seeming disinterest in sovereignty shown by certain artists in Quebec and the silence of German intellectuals during the Nazi regime in the 1930s.

This comparison is completely wrong and absurd and is a stinging insult to Quebecers of every stripe who are engaging in the debate on Quebec sovereignty in a free and democratic manner.

In stating that he would leave Quebec in the event of a "yes" in the referendum, Senator Jean–Louis Roux is repudiating his fellow Quebecers who are trying to establish a country for themselves through democratic means. It is sad and disappointing.

[*English*]

POLITICAL PARTY FINANCES

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I am proud to report to the house that the Reform Party of Canada, the party that firmly believes in fiscal responsibility, completed the year 1994 with a surplus of close to $400,000.

I would also like to report that the Reform Party added the $400,000 to existing cash reserves in excess of $1 million. That is over $1 million in the bank, unlike the Liberal Party which finished 1994 with a debt of $2.5 million.

At the end of 1993 the Liberal Party, the party that is now taking inadequate steps toward federal deficit reduction, ran up its own operating deficit of $789,400.

Unfortunately, members may be confused by a newspaper account which recorded only a selected distorted portion of the Reform Party's financial picture.

Let me assure all Canadians that the Reform Party remains strongly committed to deficit reduction. The bottom line on our balance sheet proves it.

* * *

REFORM PARTY

Mr. John Harvard (Winnipeg St. James, Lib.): Mr. Speaker, prior to budget day, the government received a lot of free advice from the Reform Party on how to tackle Canada's debt and deficit. It still rings in our ears: Get your spending under control. Eliminate the deficit.

We now learn the Reform Party itself has slipped into the red. It is the truth. Scout's honour, cross my heart and hope to die. The Reform Party is running a deficit. The party which preaches frugality has been spending more than it earns. It has failed to balance its books. It cannot control its urge to spend.

Wait until the people back home get the news. What will their constituents think when they learn the Reformers' motto: Do as I preach, not as I do. The hypocrisy, the betrayal.

Perhaps Reform MPs need another telephone town hall. Take heed Reformers or you might just hear that those who live in glass houses should not throw stones.

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[*Translation*]

CANADA GAMES

Mrs. Pierrette Ringuette–Maltais (Madawaska—Victoria, Lib.): Mr. Speaker, during the Canada Games in Grand Prairie, Alberta, the New Brunswick judo team earned a total of eight medals, with the male team placing second in the country.

With their determination to succeed and train in their sport, they displayed their fine talent and agility.

• (1415)

I would like to congratulate the judo team from the Northwest, in particular, Bruno Volpé, gold medallist; Denis Cyr, Sylvain Collin, Marco Volpé, silver medallists; Danny Beaulieu, Madeleine Bossé, Jérémie Lepage and Magalie Paquet, bronze medallists.

Congratulations. Your perseverance in training in this sport has no doubt brought its rewards.

* * *

[*English*]

PENSIONS

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, we have another example of a soft target in the much touted Liberal red book where it calls for minimal, no pain adjustments to the MP pension plan.

The government has now come up with a two–tiered plan which protects the old cronies of the Liberal caucus, just like the old cronies of the Conservative Party were coddled before.

While announcing a review of the pensions given to Canada's seniors, these fat cats are making sure that their gold–plated, over–rich, taxpayer super–subsidized pensions are kept intact. While all other Canadians are being asked to accept cutbacks and layoffs, Liberals like the Deputy Prime Minister will collect up to $2.7 million in their own special unemployment insurance fund.

Mr. Speaker, you will note that the Liberals have even failed to meet their soft red book target because of the whining and crying of these Liberals. What I really wanted to call them would probably be unparliamentary.

Canadians deserve better. It is time to end—

ORAL QUESTION PERIOD

[*Translation*]

THE BUDGET

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, in an interview on CBC radio, the Prime Minister tried to appease the wrath of the provinces by saying that they should take it as a compliment and a sign of trust that the federal government has decided to let them pay an additional $7 billion for health care, social assistance and post–secondary education. That takes guts, Mr. Speaker.

How can the Prime Minister have the arrogance to ask the provinces, especially Quebec and Ontario, to take it as a compliment that an additional $7 billion will be cut, which puts them in the unenviable position of deciding whether to cut services or raise taxes?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, several years ago, the provinces started cutting their programs for health care, social services and education, and we kept sending money to the provinces.

However, because of our present financial situation, we had to make cuts. They did and we are doing the same. Today, everyone has to put his financial house in order, both the federal government and the provinces.

For years, the Leader of the Opposition has been asking us to reduce the federal presence in these sectors. When we do, he says: Pay, but keep quiet. In a democracy, he who pays the piper usually calls the tune.

Since we did what they wanted us to do, he should be satisfied, and stop criticizing.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, the Prime Minister thinks the federal government pays the piper, but all it does is collect the money from the same taxpayer who, in the end, is stuck with the bill for these transfer payments.

[*English*]

Does the Prime Minister not realize that he has fooled nobody by dumping the deficit in the backyard of the provinces? This tactic has already produced a negative side, as is seen in the decision by the Dominion Bond Rating Service to put Ontario's credit rating under review following the federal budget cuts in transfer payments?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we prepared the budget to squarely face the fiscal reality of the nation. At the moment I know the Canadian people support the tough action the government took because it was the right thing to do.

[*Translation*]

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, will the Prime Minister be as frank as his Minister of Intergovernmental Affairs was yesterday in Quebec City, when he admitted that budget cutbacks mean that Quebec will have a potential loss of $3.5 billion three years from now, something his Minister of Finance refused to admit yesterday in this House?

• (1420)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, it is true that there will be a loss of revenue in some provinces. As in many other sectors in this country where we have made cuts, people will have less money. That is what management is. When we can no longer afford to pay, we have to cut, and that is what we have done. We did not walk away from our responsibilities. There are people who blame us, and we are prepared to take the blame, but on the other hand, I know the Canadian public realizes that this government has not neglected its responsibilities and that we have done what the people wanted us to do.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the government wanted to make the $7 billion reduction in transfer payments to the provinces for post–secondary education, health and welfare look like a decentralization measure to demonstrate the flexibility of federalism. In a case of real decentralization a transfer of additional responsibilities is accompanied by the means to assume them, that is, tax points.

How can the Prime Minister have the gall to ask the provinces, as the Minister of Intergovernmental Affairs did yesterday, to clean up their finances? He dumps an additional $7 billion charge on them and asks them to do for him the clean up job that he is incapable of doing in federal spending.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we have in fact cut 19 per cent of federal government operations. Transfers to the provinces are cut, I believe, by 14 per cent. We were not as harsh on the provinces as we were on ourselves. I think the hon. member should recognize this. There is no difference between tax points and cash payments; they represent a transfer of resources from the federal government to the provinces.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the more we ask, the more we learn. Yesterday the Minister of Finance admitted that the cuts to the provinces represented 4 per cent. Today it is 14 per cent. Tomorrow, maybe—

Some hon. members: Hear, hear.

An hon. member: It is the truth.

Mr. Gauthier: I prefer to believe the Prime Minister, Mr. Speaker.

Mr. Bouchard: He is just as honest as his Minister of Intergovernmental Affairs.

Mr. Gauthier: Will the Prime Minister admit at least that the reduction in transfer payments is not decentralization, since, as the Minister of Finance said yesterday, the federal government is refusing to transfer the corresponding tax points, because it does not want to give up any of its leverage in post–secondary education, health care and welfare? Will he acknowledge this?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, when the Minister of Finance spoke of 3 per cent, he was talking about 3 per cent of a provincial budget. The figure of 14 per cent is the cut in transfers. That is the distinction.

It is a funny thing about money transfers. For years, the opposition has been telling us to get out of these areas of jurisdiction. And when we do so, they tell us to keep on paying. But the more we stay in these areas, the more federal taxpayers have the right to insist that we be involved in such matters. We are saying to the provinces that, with the new system, we are giving them more flexibility, as they have been requesting for years.

[*English*]

HEALTH

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, in an interview yesterday on the CBC, the Prime Minister suggested that medicare needs to be reduced and revert to meeting more basic needs.

The Liberal budget includes further reductions in federal transfers for health care and the intergovernmental affairs minister has apparently told the Quebec government that Canada's health laws need to be opened up. All of these things are completely opposite to the promises in the red book on health care.

My question is for the Prime Minister. Is there a federal plan to restructure health care and health care funding? If there is, why did the government choose to omit that plan from Monday's budget?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I was a member of the House of Commons when the health care system was introduced. The five conditions written into the act will remain. I will not jeopardize the medicare system in Canada.

It is a very good system and we want to maintain it. We are holding discussions with the provinces at this time to see what can be done to make sure that while we reduce the cost of medicare we maintain the quality of service. That is exactly what we are trying to do.

• (1425)

The five conditions which are written into the act are there. They were in the red book and as long as I am Prime Minister they will remain in the laws of the land.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, one of the cornerstones of integrity in government is full disclosure. If the federal government has plans to reduce spending on health care in the short run in order to save medicare in the long run, it should simply say so. That is what the Reform Party did in its taxpayers' budget. Canadians have a right to expect the government to be equally frank and up front.

My question is for the Prime Minister. Is the government planning further reductions in health care spending, yes or no?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we do not spend money on health care. The provincial governments spend the money. It is not us. We have no control over the spending of the money.

We help the provincial governments with their health care systems and in exchange we ask for the five conditions to remain. It is the pride of Canadians to have a health care system which is universally free for everyone, not a system in which the rich have better services than the poor. That is why we are still

spending money on medicare, to ensure that these principles remain.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the Prime Minister began his answer by saying that they were not spending money and ended up by saying that they were spending money. Every time the Prime Minister gives an evasive or political answer to this question it just heightens the suspicion that the federal government has some alternative plan.

My question is for the Prime Minister. Again, I ask for an honest, straightforward, one–word answer.

Some hon. members: Order.

The Speaker: I am sure that all hon. members take for granted that both the questions and the responses will be honest. That goes without saying. We need not ask either for the question or the answer to be honest.

Mr. Manning: I ask the Prime Minister again for a straight, forthright, one–word answer. Is the government planning further reductions in health care transfer payments to the provinces, yes or no?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, when I see the leader of the Reform party getting up to talk about the protection of medicare I wonder if Colonel Sanders has become a vegetarian.

What we intend to do with the transfer payments and everything else is clearly written in the budget. If the hon. member reads it he will have the answer.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, my question is for the Minister of Canadian Heritage. The minister told Parliament yesterday that he never sent Mr. Manera any letter, nor did his deputy minister, regarding figures other than those contained in the budget. However, today, Mr. Manera claims that, one hour before the budget was tabled, the deputy minister of heritage sent him figures regarding budget cuts hitting the CBC over the next three years to the tune of $266 million.

How can the minister reconcile the statements he made yesterday with those Mr. Manera made today and which are totally contradictory?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, that will not be difficult. You already know what decisions the government made in the budget. As I explained yesterday, the CBC's budget was drawn up for the coming fiscal year. The remaining figures come from the program review that was undertaken last August.

• (1430)

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, how can the minister keep on pretending that only the budget figures were given to Mr. Manera, while the document he received from his deputy minister contained information regarding a cabinet decision for the next three years?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, our colleague is quite tenacious. She bounds off on a fishing expedition with lots of energy, yet comes back with nothing more than the refuse from the lake floor that her hook happened to catch on to. The decisions are contained in the budget and the other documents that Mr. Manera may have in his possession must be documents on program review.

[*English*]

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, my question is for the Minister of Canadian Heritage.

The government knows that the days of billion dollar budgets for the CBC are gone but has failed to admit it to Canadians. The Reform Party has been consistently honest and open about downsizing the CBC.

Yesterday the chairman of the Standing Committee on Canadian Heritage stated publicly that it would have been more straightforward with Canadians to have included future cuts to the CBC in the budget and that it should have given all of the bad news up front.

Why does the minister not recognize, as does his colleague, that they should have come clean with Canadians about their plans for cutting the CBC?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, the Prime Minister has made clear that in a budget which is a rigorous one all the agencies of the Canadian government have to participate in bearing the load.

We have done so with the CBC. We have indicated very clearly that there will be a cut next year. We have not removed the cuts which go back to the Mazankowski budget.

There is a clear situation in which the CBC has to bear part of the load and we think that it will be able to do so.

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, despite the Prime Minister's promises not to cut the CBC as outlined in the Liberal red book and despite what the hon. minister said, the cuts that have to be made to the CBC must be up front and honestly stated.

The Reform Party has said that the CBC cannot continue as we know it today and the figures in this secret document from the minister—

The Speaker: Order. I would ask the hon. member not to use a prop and to please put her question.

Mrs. Brown (Calgary Southeast): Mr. Speaker, instead of sounding the death knell for the CBC by making blind cuts, why does the hon. minister not realize that a viable future for the CBC lies in the private sector?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, we know that our colleague would like to see the disappearance of the CBC as a public broadcaster in spite of the great credit it has earned itself over the years for Canada.

This does not surprise me. Not such a long time ago when the issue she raised was that of a country program with one Canadian program and channel to be defended against an American channel, she took the side of the American channel. Not only that, the Canadian channel was located in her own riding.

* * *

[*Translation*]

THE BUDGET

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, my question is for the Prime Minister. In his budget plan, the Minister of Finance says he must ensure that the old age security program is financially sustainable. Yet, in response to a question on the changes planned by the government to the old age pension plan, the minister deliberately tried to dodge the issue by talking about the Canada Pension Plan, which is something else entirely.

• (1435)

Since the Minister of Finance claims that the current old age pension plan has become unsustainable, can the Prime Minister confirm his government's intention to reduce benefits and access to this plan?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we have no intention of reducing benefits and access to this plan. However, all social programs must be reviewed. That is what the Minister of Human Resources Development is doing.

Studies were conducted in other areas, and the Canada Pension Plan, which is the pension paid to citizens in Canada, needs to be reviewed at this time. It is something we have to do in any case, in preparation for an upcoming meeting with provincial governments, and because programs are dovetailed to a certain extent.

The Minister of Human Resources Development intends to review the whole question, which is very important for the future of seniors in Canada. This government does not favour the status quo. It has the capacity to review all elements of the social policy.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, changing the status quo may affect benefits and access, as well.

Since the study on old age pensions, which had been scheduled for last year, has been deferred once again, are we to understand that the government does not want to debate publicly, before the Quebec referendum, its plan to cut old age pensions?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I would really like to know when this referendum will be held and whether there will even be a referendum. After reading in the newspapers about the differences and contradictions among opposition members on this subject, how can I know when the referendum will be held? We are not influenced by that, since they are not even able to agree on a question.

If they want to win the referendum, all they have to do is ask the very short, very clear question that I am suggesting. If they want a guaranteed "yes", they only have to ask the following question: Do you want to stay in Canada? And Quebecers will say yes.

* * *

[*English*]

INDIAN AFFAIRS

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, the Auditor General has severely criticized the department of Indian affairs for its lack of financial accountability, its lack of program monitoring and its lack of program evaluation. Yet instead of being cut back like all the other departments in the government, Indian affairs actually received a $447 million increase in its budget.

Considering that it is well documented that Indian affairs spending is out of control and has a serious lack of accountability, how can the minister even begin to justify an increase in his department's budget?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I am pleased the hon. member asked that. The Reform party has attempted to get quite a bit of misinformation throughout the country, but not with very much success. Most people who have looked at the budget, and obviously the Reform has not, will know that the birthrate in the aboriginal community is two and half times that of the white community. Next year per capita the aboriginal person will receive less than they do now.

To do those things as we said in the red book, in addition to the 442 people we already laid off, we will be laying off another 300 people. We will be freezing salaries at the ministry, as the member knows. We will also be freezing salaries in the aboriginal communities and we will be cutting $15 million from the northern development program.

That is the reality, not the myths that the member and his party are spreading throughout the country.

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, let us be clear about this. Mismanagement is the problem, not money. Both the Auditor General and the Indian affairs department's own internal audits have reported a plague of serious financial mismanagement both at the departmental level and at the band level.

How can the minister of Indian affairs stand and defend this $447 million increase in his budget without first getting the mess in his department cleaned up?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, this member has 23 First Nations in his riding. Maybe for once he will stand and defend one of them.

• (1440)

This member will talk about those bands that have troubles. Sure those bands have troubles. However, over 80 per cent of the 600 bands in this country are managing their affairs. For the 152 that require help, we are giving them help. Eight–five per cent as of January have remedial action plans in place which means they, like us, are cutting staff. They are deferring housing. They are cutting much of their infrastructure and they are dropping programs. That is the reality.

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[*Translation*]

CANADA HEALTH ACT

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, yesterday the Prime Minister said that the federal government had no intention of giving up its control levers over the health sector. Meanwhile, the Minister of Intergovernmental Affairs alluded for the first time to the possibility of reviewing the Canada Health Act.

How does the Prime Minister reconcile the comments made by his minister, who clearly mentioned the possibility of amending the Canada Health Act, with his own statement to the effect that the government intends to keep all its control levers over the health sector?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, it is easy. We, on this side of the House, keep repeating it. The minister said it: the five principles governing the Canada Health Act will remain in force.

There may be circumstances where some amendments could be made. However, we will not compromise on the principles: they are there to stay. There is no contradiction between that position and the possibility of discussing certain changes which could benefit both the federal government and the provinces. However, the five principles will not be changed.

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, since, according to the Prime Minister, the Canada Health Act will not be opened up, how does he explain the statement made by his Minister of Intergovernmental Affairs?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, what I said very clearly in Quebec City is exactly what the Prime Minister stated, namely that the five standards governing the Canada Health Act would remain in effect.

What I said regarding the Canada social transfer was that we could, through mutual consent, change existing conditions applicable to social assistance. This is absolutely true and in accordance with what was said. Again, as I said yesterday during the press conference, the five standards governing the Canada Health Act will not be touched.

* * *

[*English*]

FISHERIES

Mr. Ron MacDonald (Dartmouth, Lib.): Mr. Speaker, my question is for the minister of fisheries. Canada is standing firm on its position that the European union must adhere to NAFO's set quotas for turbot on the Grand Banks. However, the Europeans in a continuing campaign of misinformation are telling anybody who will listen that Canadian fishermen do not need, do not want and cannot catch the Canadian quota for turbot.

I ask the minister to confirm whether this is fact or fiction. Are Canadian fishermen ready, willing and able to take the rightful quota that has been set for them through NAFO?

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I thank the hon. member for his question. Canadians have shown a tremendous interest this year in taking 60 per cent of the quota assigned to Canada by NAFO.

I am informed that in the 35 to 40–foot category somewhere between 200 and 500 boats are now gearing up to participate in the fishery. From the sixty–five to one hundred foot category, five vessels are now gearing up. From the fifty–five to sixty–five foot category, forty vessels are now gearing up.

For the first time in a decade Canadian offshore vessels, vessels from fisheries products, internationals and national sea, are going to the offshore to catch turbot to take the Canadian share. One left yesterday at noon. One will leave in 45 minutes. They are going out on the continental shelf beyond 200 miles and they are going to take Canada's share of the turbot quota.

• (1445)

THE BUDGET

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, the Liberal budget eliminates the WGTA subsidy by August 1 of this year, cuts the dairy subsidy by 30 per cent, cuts safety net programs by 30 per cent, and eliminates the feed freight assistance.

The government has taken away the funding but has not taken away the unnecessary regulation that would cut costs, allowing farmers to recoup some of these losses.

I have a question for the Minister of Agriculture and Agri–Food. When will the minister reduce unnecessary regulation and specifically how will he make the system work better for less?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.): Mr. Speaker, as the hon. gentleman will know, over the course of the last year or so some good progress has been made in dealing with regulatory issues. We have passed in the House new legislation pertaining to the Canada Grain Act, which is a step in that direction, to improve the regulatory situation.

Certainly a major part of our western grain transportation reform plan is an efficiency package, which is being worked upon by the Minister of Transport and myself in consultation with all stakeholders in the western Canadian grain handling system, to develop a system in western Canada that is substantially lower in cost overall, certainly much more efficient than it is today and faster in getting our grain to the markets where it needs to be.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, I think Canadian farmers would expect a little better answer than that. Certainly any farmer would know that the minister better have a plan in place before cutting the WGTA funding.

How many years will it take the minister to hold the discussions as laid out in the discussion paper and prepare a plan to replace the current system?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.): Mr. Speaker, the discussions with respect to the efficiencies package have been ongoing now for several months with the active involvement of 14 or 15 farm organizations in western Canada, together with a variety of other stakeholders in the industry.

We have indicated to the stakeholders participating in the discussions that as soon as the fiscal framework was tabled in the House in the form of the budget, which of course happened on Monday of this week, we would want to proceed very quickly with the finalization of the details.

Therefore, as far as the efficiencies package is concerned to the extent that it requires legislation, that legislation can be concluded conceptually within the course of the next month. It can be presented to Parliament this spring and enacted into law before June 1995.

* * *

[*Translation*]

ROYAL CANADIAN MOUNTED POLICE

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, my question is directed to the Prime Minister.

This morning, *La Presse* reported that Libertina Rizzuto and Luca Giammarella, suspected by the Swiss authorities of trying to launder $3 million through Swiss banks, were released, although the investigation continues. It seems their release came as a result of the half–hearted assistance the RCMP gave Swiss police authorities.

Could the Prime Minister explain why the RCMP failed to give the Swiss authorities their full co–operation when they refused to provide information crucial to legal proceedings in Switzerland?

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General, Lib.): Mr. Speaker, I have just been advised of this case, and I will make a note of the opposition critic's question.

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, on a supplementary. What explanation does the Prime Minister have for the fact that the only officer familiar with the case involving Mrs. Rizzuto and Mr. Giammarella was on holiday when the Swiss authorities had to release these two individuals, failing the co–operation of the RCMP?

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General, Lib.): Mr. Speaker, I will not comment on the operations of the RCMP. I think it is clear there will be an investigation, and the Solicitor General will be able to respond to the opposition member's question in due time.

* * *

[*English*]

FISHERIES

Mr. John Cummins (Delta, Ref.): Mr. Speaker, my question is for the Prime Minister.

Notwithstanding the blustering of the Minister of Fisheries and Oceans, 45 to 50 European vessels are currently fishing Canadian turbot just outside Canada's territorial limit. Reports indicate that they have exceeded their NAFO quota and have unilaterally established an EU quota of 70 per cent of the total allowable catch.

• (1450)

When will the Prime Minister recognize that the Minister of Fisheries and Oceans has failed to protect Canada's fish stocks, intervene and try to negotiate a settlement with the EU?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, many Canadians think the Minister of Fisheries has been the best fighter that we have ever had for the fisheries.

Some hon. members: More, more.

Mr. Chrétien (Saint–Maurice): I cannot carry on. I do not want to inflate his ego too much.

Mr. John Cummins (Delta, Ref.): Mr. Speaker, the Europeans have exceeded their quota under NAFO and the minister is fiddling while Rome burns or the dory sinks.

When will the Prime Minister intervene and get some action on this problem?

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I am delighted to see that my colleague has taken an interest in the matter, because for the last year we have been working very diligently to put an end to overfishing.

As part of the process of putting an end to overfishing, last year we did not have this bellicose noise. We had the co–operation of the Reform Party and the co–operation of the Bloc Quebecois. I recognize that last year was a rare time when the House was unanimous and passed Bill C–29 to take the necessary measures to throw flag of convenience vessels off the nose and tail. They left last May and they have not returned.

The cabinet and the national caucus from sea to sea to sea are united behind the cause of the fishermen of Atlantic Canada. We will be calling upon them for their support again in the days and weeks ahead.

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[*Translation*]

MONTREAL ECONOMY

Mr. Martin Cauchon (Outremont, Lib.): Mr. Speaker, as we all know, the Montreal area has had more than its share of economic hardship over the past decade. But things have been looking up lately.

Can the Parliamentary Secretary to the Minister of Human Resources Development update this House on the economic conditions in Montreal and the regions since the various elements of the human resources development programs have been put in place?

[*English*]

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I publicly thank the member for Outremont for the excellent job he did during the parliamentary committee hearings on social security review.

In the Montreal area the economy is making substantial gains. Between January 1994 and January 1995 the number of jobs in Montreal increased by 47,000. The number of unemployed workers decreased by 18,000. The unemployment rate is down by 1.3 per cent.

The red book promises are working very well in Montreal.

* * *

[*Translation*]

COAST GUARD COLLEGE IN SYDNEY

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, my question is for the Minister of Transport. On October 18, I asked the minister how he could justify spending nearly $10 million a year to keep the Coast Guard College in Sydney open when the Marine Institute in Rimouski, Quebec, the Pacific Maritime Training Institute in Vancouver and the Marine Institute in Newfoundland, among others, offered the same services. I never heard back from him on that.

How can the minister contemplate, as outlined in the last budget, imposing higher rates on Coast Guard service users, when he does not have the courage to end needless duplication, as in the case of the college in Sydney, which costs the taxpayers $10 million per year?

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, every institution my hon. colleague mentioned makes a significant contribution to the Coast Guard and other services within Transport Canada. We have no intention of changing the status of the Coast Guard College in Sydney, Nova Scotia.

• (1455)

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, why did the minister not take advantage of the budget to announce the closure of the Coast Guard College in Sydney, since provincial educational facilities can provide the same services at a lower cost?

[*English*]

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, the coast guard academy at Sydney, Nova Scotia, produces people who are highly skilled and world recognized. We understand the role played by the various provincial institutions referred to by the hon. member.

I would hope the hon. member would understand that the presence of a coast guard academy such as the one at Sydney is absolutely essential to maintain the level and the standards that are well known around the world which have been maintained by the coast guard for a century now in Canada.

TREASURY BOARD

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, according to the estimates tabled on Tuesday, the Treasury Board secretariat will be creating 10 more management positions at a cost of $3.5 million to the taxpayer. That is $350,000 for each executive. The President of the Treasury Board must have some spectacular executives in mind for that kind of salary.

How can the President of the Treasury Board pad his executive suite with 10 more managers while in the same breath cut 45,000 jobs from the rest of the civil service?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, I would be happy to look into the specifics of the matter the hon. member mentions.

Let me tell you, Mr. Speaker, that overall the executive ranks in the public service have been reduced over the last four years by some 26 per cent.

As the Minister of Finance announced the other day, in our budget expenditure plan over the next three years there is a reduction of some 19 per cent in government spending. As part of the reduction in staff there will be proportional representation at the different levels: executive, middle management and frontline workers. The executive level will be part and parcel of the government's overall plan of reduction.

Mr. John Williams (St. Albert, Ref.): I am not sure the minister heard my point, Mr. Speaker. I said that he was going to increase his own departmental executives by 10.

He said the other day: "We will continue to manage changing priorities by reallocating resources". This is not my idea of reallocating resources by adding more to his department. It seems to me that the resources will be reallocated not toward a reduction of the deficit but to his own department.

Does the President of the Treasury Board need to increase his executive staff by 15 per cent when he is reducing the total number of the federal civil service by over 20 per cent?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, I do not know from where the hon. member gets those figures. There is no increase in the staff at Treasury Board.

In fact there is a reduction as there is in all departments as part of the overall plan to get the deficit of the country down. That has been part of the government's program as announced by the Minister of Finance.

HEALTH

Hon. Audrey McLaughlin (Yukon, NDP): Mr. Speaker, my question is for the Minister of Health. As the minister knows, as cash transfers to provinces go down the tax point shares go up.

Yesterday the Prime Minister, speaking straight from the heart, said: "When you transfer tax points you lose all leverage after that because you don't collect the money. The day that you don't have any more cash, you can't use the leverage". That suggests to me that it is straight through the heart of the health care system.

I want to ask a question of the minister whose major responsibility to the Canadian citizen is to protect the national health care system. Clearly she has not been successful. Will she do the right thing and resign?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I explained very clearly it is because we want to maintain the five conditions of the health act that we have to make sure we transfer cash. That is why we decided to have a system of block funding so that we could have some influence.

When they have tax points the provinces are not obliged to listen to us any more. I recognize that we need some leverage because if we did not have leverage some provinces would have already cut into the five conditions. We need to have the means to make sure they do not use the fact that they have only tax points to destroy medicare.

We will keep what is needed for medicare to stay as it is.

* * *

THE BUDGET

Mr. Andy Scott (Fredericton—York—Sunbury, Lib.): Mr. Speaker, my question is for the President of the Treasury Board.

Monday's budget, as has been mentioned, announced a reduction of 45,000 positions within the public service over the next three years. There is much uncertainty about the impact of these reductions.

• (1500)

Could the minister indicate what measures will be offered to these employees and assure the House that every effort will be made to accommodate employees through early retirement, early departure and other programs?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, the short answer is yes. We value our employees, the ones who will be leaving and the ones who will be remaining.

We certainly want to provide those who are leaving every opportunity to adjust back into the community. There will be early retirement provisions and early departure incentives that involve training and counselling. A wide range of services will be available to them which will help in terms of the adjustment.

They have been hard, dedicated workers for the people of this country. We want to make sure that we treat them fairly and reasonably.

[*Translation*]

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PRESENCE IN GALLERY

The Speaker: I wish to draw the attention of members to the presence in our gallery of His Excellency Willy Claes, Secretary General of the North Atlantic Treaty Organization.

Some hon. members: Hear, hear.

[*English*]

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POINTS OF ORDER

COMMENTS DURING QUESTION PERIOD

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, in response to a question from the hon. member for Prince George—Bulkley Valley, I believe I said he had 23 First Nations and he has 11. Once again, it is the other critic, the hon. member for Skeena, who has 23.

The Speaker: The clarification is noted.

I have a point of privilege from the hon. member for Sherbrooke. Might I ask the hon. member if this point of privilege arises out of this question period?

Mr. Charest: No, Mr. Speaker, it does not arise out of question period.

The Speaker: Pursuant to the rules of the House, the hon. member would know, being a respected parliamentarian, that the Chair should have at least one hour's written notice. I am sure the hon. member will want to proceed according to the rules and do just that. His question of privilege will be heard at the earliest possible time.

Mr. Charest: Mr. Speaker, I rise on a point of order. I thank the Chair for its patience and for the clarification on the question of privilege.

This question of privilege arises out of an article published today in a paper which is well known on the Hill, the *Hill Times*. I wanted to advise the House immediately.

Point of Order

The Speaker will know, as all members of the House know, that a member also has the duty to inform the House and his fellow colleagues as soon as he or she is aware of the question of privilege, which I chose to do today. It relates to the secrecy of the budget process.

The Speaker: The hon. member is absolutely correct that there should be notification given to the Chair as soon as possible. As such, I know the hon. member will want to follow the rules and take the time to put his point of privilege, in all its fullness, at the earliest possible time. However, because it did not arise from question period today, I would rule that the point of privilege will be put off until later.

I thought the hon. member was going to introduce a point of order or did I misunderstand?

Mr. Charest: Mr. Speaker, for the record and to accommodate the rules and all members of the House in fairness, may I suggest that I raise this point of privilege tomorrow after question period so that all members of the House will know that this issue will be raised?

The Speaker: The hon. member would know that in accordance with the rules the answer would be yes.

[*Translation*]

The Speaker: My colleagues, we will now proceed to Thursday's usual question.

* * *

BUSINESS OF THE HOUSE

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, this is a difficult question to ask but I will ask my colleague, the Secretary of State for Parliamentary Affairs, to tell us about the business planned not only for the coming days but also for the week following the recess.

Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons): Mr. Speaker, if I may, I will answer the question.

[*English*]

Today we will continue with second reading of the borrowing bill. When we adjourn tomorrow, we will stand adjourned until Monday, March 13. On that day we will consider the firearms bill. On Tuesday, March 14 and Wednesday, March 15 we will conclude the budget debate.

• (1505)

[*Translation*]

Mr. Speaker, we intend to designate March 16 and 17 as opposition days.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1995–96

The House resumed consideration of the motion that Bill C–73, an act to provide borrowing authority for the fiscal year beginning on April 1, 1995, be read the second time and referred to a committee.

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): Mr. Speaker, when I began earlier today, I started off with Madam Speaker, was interrupted by Mr. Speaker, and now I have a different Mr. Speaker in the Chair. I would like to be certain that this Mr. Speaker will remain in the Chair for the duration of my short intervention in this debate.

As I said earlier to my colleagues in the House, the Department of Public Works and Government Services has had to sustain some significant reductions. I note my colleague from the Reform Party. No doubt he will have numerous questions for me when we go before committee. I might add he usually asks very good questions.

I want to share with him and other members of the House that we will be commercializing the Canada Communication Group, an aspect of public works and government services. We will be doing away with the stock item supply. We will be going to direct deposit across the board to save the taxpayers significant amounts of money. Cheque production sites will be consolidated in order to save costs to the taxpayer, contributing to the savings we are putting toward the deficit over a three year period of $353 million.

In addition, public works and government services, Treasury Board and all agencies of the Government of Canada have been, presently are and will continue to look at ways in which to make additional savings in terms of the reduction in office space which houses a variety of government departments.

Program review was conducted by my colleague the Minister of Intergovernmental Affairs and had a number of aspects associated with it. One was a vertical examination of all expenditures in each of the departments. As a consequence of that examination, there will be less need for additional space.

I want to be very careful and very prudent. I welcome suggestions from members across the way in terms of how we can do public–private partnering in this regard and how we can have additional savings as it relates to the space requirements we need as a national government across the country.

These savings, as I indicated earlier, will total $353 million and will dislocate 5,263 employees over a three year period. It is very difficult to try to sugarcoat tough decisions, but I want to be clear. Although there will be some dislocation of jobs, many of those jobs will reappear in the private sector. We ought not to downplay the significance the private sector can play in terms of handling some of these services and activities which, prior to the budget, were being conducted by government departments.

The Department of Public Works and Government Services is a common service department. We act in relation to the requests made to us by other departments and agencies of the Government of Canada. Where the opportunity exists, our objective and goal is always to try to get value for the expenditures within our department. We will be vigilant in reaching that goal in the coming months and years. Again I invite the co–operation and suggestions of members opposite to make certain we abide by that objective of value for our money. Where the opportunity exists I hope they will provide us with good, meaningful suggestions.

• (1510)

Canada Mortgage and Housing Corporation is another agency which comes under my responsibility. It has a historic, national and international reputation in the housing sector. Cabinet and the Minister of Finance, in view of the fiscal capacity of the Government of Canada, are giving savings to reduce the deficit in excess of $300 million.

We will be closing over 20 offices across the country. We will be cutting back on our research efforts as a national housing institution. We will be doing away with the scholarship program which has been part and parcel of Canada Mortgage and Housing Corporation for quite some time. If anyone were to suggest that those are not tough, difficult measures, I would think they were being less than candid with themselves and with the House.

I do want to say that the Minister of Finance has given us a balance. On the one hand we still have 600,000 units. It is an expenditure by the government of over $2 billion annually, housing one million Canadians who need the assistance of the state as they try to provide dignity and opportunities for their families and their communities. That expenditure is significant.

It is hoped that over an additional three year period we will be able to have additional savings and will be able to do some things in other sectors. However, I do not want to give a false impression to the House because it would be misleading and very unfair to suggest otherwise.

With the Atlantic Canada Opportunities Agency, the government over a three year period will be reducing its contributions to that agency. I would like to take a moment to explain the mandate of ACOA. The mandate of the Atlantic Canada Op-

portunities Agency is to effectuate where possible economic activities in the Atlantic region.

Those of us who come from the Atlantic region, such as my colleague the hon. member for Dartmouth, will attest to the fact that economic growth in many of our communities is not what we want it to be. We are continually trying to find ways to foster economic growth. We have moved away from a previous set of targets in terms of providing grants to small and medium sized businesses. We have done away with that. We have moved to a system of repayable loans which provides more accountability for all.

There is still a lot of partnering. As an agency of the crown we can partner with the provinces, universities and non–profit organizations. This is done not for the sake of having announcements but for the sake of trying to get communities, the intellectual side, the business side and the non–profit side together, forging a coalition to try to meet the challenge of creating economic activity in the poorer regions.

Much has been said about regional economic development in the past. I am sure much more will be said by those who oppose that forum. Let it be understood that as the minister responsible for one small agency, ACOA, I believe as the red book and the 1994 and 1995 budgets have identified, that regional economies are the backbone of the nation.

There is no question there are differences between the economy of Atlantic Canada and that of Quebec. There are differences between western Canada and the Atlantic region. There are differences between Ontario and the west, be it the prairies or British Columbia. They are different. We must acknowledge that factual thing: a small population base, a widely dispersed people over a large geographical mass. It is our task not to put the blame on those that have come before us and tried to seize the moment and the opportunity by creating through partnerships something that will provide some hope and some dignity to individuals in that region of the country.

• (1515)

All agencies of government were asked to provide moneys to cut the deficit. Fifty person years will be reduced at the Atlantic Canada Opportunities Agency, 15 person years at Enterprise Cape Breton. All aspects are being reviewed.

As members opposite find opportunities to either ask questions or put before me as the minister responsible, as my colleagues in the Atlantic Region do, ways in which we can improve, to cut things and to add to things, I would be happy to hear from them.

I want to make something very clear to those members who sit in the House. I make no apology to any member, any political party, and any representative of the press for standing up for a region which has historically sustained a lot of economic difficulty. As I say to my friends and as I shared with caucus colleagues, we in Atlantic Canada do not want handouts. We want a hand up. Regardless of where they live, Canadians are entitled to that kind of opportunity from the national government.

In the time that I have remaining, I want to briefly touch on the subject of the Royal Canadian Mint. Colleague opposite knows that I have umpteen different agencies for which I am responsible so I am just hitting the highlights of some of them.

With regard to the Royal Canadian Mint, I want to clarify a rumour. It was circulating in Dartmouth, Nova Scotia that the $2 coin we will be issuing will have the picture of the hon. member for Dartmouth on the coin. I want to make it perfectly clear it was a difficult decision I had to make personally, but given what I had to work with I think everyone can understand why I reached the decision I did.

Let the House be aware that the new $2 coin will save taxpayers over a 20–year period a quarter of a billion dollars.

We have gone one step further. We are looking at all of the coins and their composition. We are going to change the composition of those coins in order to reduce their cost, thereby increasing the revenues which will total almost an additional $12 million per year for the 20–year duration of an average coin. That is new revenue for the national government. It is new revenue for the purposes of writing down the deficit of the Government of Canada.

I want Canadians to know that these measures have been taken because we listened to them. I am the minister responsible for public works, government services, and a host of other agencies. I have gone before the standing committee for a record number of times for any minister; three times. I have had good questions from opposition members. I have had good suggestions from opposition members. Equally so, I have had very good quality questions and suggestions from government members. I want to thank them for their help and assistance.

• (1520)

I throw out a challenge to all members of the House. If we are sincere, which I take as a given, of reducing the deficit of the government in the years ahead, they should come forward with solutions. Yes, criticize too because that is part and parcel of the political process. As I have told my exempt staff as well as all of my deputy ministers, it is fine to identify problems but it is more important to identify solutions to those problems.

I know that my time has come to an end but I would be happy to attempt to answer any questions my colleagues may wish to raise at this time.

[*Translation*]

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, the Minister of Public Works said that using $2 coins would result in savings of some $225,000. I wonder how much it will cost to repair our pockets though, because it is going to be a heavy load to carry. My comment is somewhat in line with the sense of humour displayed by the minister when he alluded to the possibility of having his face appear on the new $2 coin.

The closing of some CMHC offices is a more serious issue. I agree that the government must reduce spending. However, I find it hard to understand why the minister decided to close the CMHC office in my riding of Longueuil, since some 1.2 million people live in the Montérégie. I think it would have been justified to keep an office to manage CMHC affairs in that region. That region has a larger population than the province of Nova Scotia where, I imagine, there must be at least one CMHC office. So, I ask the minister: Why he is taking that step and, second, from where will he manage all the properties in the Montérégie?

[*English*]

Mr. Dingwall: Mr. Speaker, I thank the hon. member for the question. It is a very legitimate and important question that one would ask of a minister.

My colleague is quite right in making representations to me on the issue. However, I say to him as I say to all members, difficult decisions had to be made by the government relating to the reduction of expenditures.

In the riding adjacent to mine that members refer to quite often as being my district but really is not, we closed the office as well. I do not take any joy as the minister responsible for Canada Mortgage and Housing for having to shut down offices.

Administratively it is important that Canada Mortgage and Housing make those kinds of decisions in order that we can contribute to bringing down the deficit of the Government of Canada. I have had numerous meetings with my colleague the Minister of Finance who did not cherish the fact that we had to reduce those offices.

I want to tell my colleague opposite that his constituents, which he ably represents, will still have the services of representatives from Canada Mortgage and Housing from neighbouring communities.

Notwithstanding reductions at Canada Mortgage and Housing, I received no less than seven or eight interventions from his party. I thought he was to congratulate me on the rent geared to income which was rumoured to go from 25 per cent to 30 per cent. The Minister of Finance and the cabinet have maintained it at 25 per cent.

On the one hand it was difficult to close the office in his constituency. He will still receive quality service from neighbouring communities. On the other hand we have been fair. We have not increased the rent geared to income for those citizens who are occupying our social housing units across the country.

• (1525)

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I was hoping the minister would put to rest the terrible rumour I heard that the figure on the new proposed $2 coin might be a soft walled, shiny topped dingy. That did not happen and it is unfortunate.

I want to get down to the matter of his responsibility with regard to ACOA. We know there are several regional development agencies flowing from the federal government: ACOA, western economic diversification, FORD–Q and other northern development agencies.

If someone with a grade five education sat down and thought about it, he or she would realize this whole concept is wrong. First, history tells us it is wrong. It has not worked in his region of Atlantic Canada. We have seen DREE grants, ACOA grants and loan programs for not years but decades and they have not worked. They have been part of a continuation of a depressed economy. In some of these regions they have not solved the problem.

If we think about it, the reasons are obvious. First, the payback of taxpayers' dollars going through the administration here in Ottawa and then back out to the regions is very costly. They are very expensive departments with gold windows that have to be replaced and huge staffs. It is also an opportunity for ministers to have undue influence in the tendering process. It tends to have people come to ministers hat in hand, asking for a grant or a loan.

I know that recently the minister responsible for ACOA has removed the granting program. I believe that is due in large measure to criticism from the Reform caucus that pointed out the blatant pork barrelling and the problems with the whole program of grants.

Now ACOA is restricted to lending funds to business. In fact, they have reduced the lending. However, businesses can get loans from other institutions such as banks and credit unions. Why would we need ACOA to grant loans? It is a very costly way for the taxpayers to help businesses. Also the amount lent out is reduced. Yet we still have the department and the minister responsible as well as his staff. There are not the cuts at the top we need because we are doing less with more.

How can the minister stand in the House and justify ACOA, western economic diversification and other regional development agencies that have failed miserably. They have added poverty to Canada and have been an opportunity for pork barrelling and misuse of federal funds.

Mr. Dingwall: Mr. Speaker, such an easy question from an easy representative. The hon. member's assertion is factually incorrect.

Mr. Hermanson: Make some sense for once.

Mr. Dingwall: I did not interrupt the hon. member when he was speaking. Maybe he can give me the same courtesy.

Let him remember and understand history. Yes, regional economic development programs have not been a raving success. To suggest there have been no successes is factually incorrect. It is factually incorrect to suggest that they have not benefited certain regions. The hon. member should travel the country extensively before he states false and misleading information of that nature.

The hon. member makes the statement that somehow we changed the programming of the Atlantic Canada Opportunities Agency because of the interventions of the Reform Party. The people who changed that program from grants to loans were the business community and business representatives in Atlantic Canada. When I travel Atlantic Canada, which is extensively, I meet with them time and time again. I have listened to what they have said and listened to what the Atlantic Liberal caucus has said and that is the reason we moved from grants to repayable loans.

Finally, the hon. member made reference to a dingy on the coin.

• (1530)

Let me say to the hon. member that yes, the students at the University College of Cape Breton have referred to this wall that they have constructed under an infrastructure program as the "Dingwall".

I want to tell my hon. friend that just the other day I drove by the "Dingwall" in a car with white walls. I want to assure the hon. member that the "Dingwall" is a hell of a lot more effective and durable than the white walls on that car. I think the hon. member knows who I am referring to when I talk about the white walls.

[*Translation*]

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, last Monday, before the Minister of Finance tabled his budget, I was worried because I realized Canada was bankrupt.

This was not my opinion but that of the New York *Wall Street Journal*, in an article that appeared on January 12, this year, under the heading "Bankrupt Canada". I also knew that Moody's in New York had put us under a credit watch and was waiting for the right moment to reduce our credit rating, which would put upward pressure on the deficit and the national debt.

Considering these facts, I knew the Minister of Finance would have to turn the situation around. I thought he would be fair to all taxpayers, however. I would have liked to discuss the main cuts introduced by the Minister of Finance, which are not, in every case, appropriate and transparent, but I am sure my colleagues will do a better job, since these subjects are not my specialty.

As the official opposition critic for transport, I was expecting cuts but I had no idea the Department of Transport was up for sale. I found that out last Monday.

As a result of program review, budgetary cuts will total $1.1 billion or 50.8 per cent of total expenditures forecast from 1995 to 1998. If we include cuts announced in the previous budget, the Department of Transport's spending levels will be reduced by 1.4 billion during the same period. In fact, budgetary savings as a result of program review will total $2.6 billion over three years.

Take, for instance, the transfer of airports to local authorities. The problem, since this is about downloading the deficit to the provinces, is that these transfers to local or provincial authorities will not include the corresponding tax points. That is the problem.

Air Canada was sold, and now Canadian National is on the block. Means of transportation that our ancestors put in place are now being sold off, not as a face saving gesture but to make the government's failure in this respect less palpable. What can we say about all this? Is this supposed to be a spring sale by the federal government? Is this a closing out sale or a panic sale?

Since the Bloc Quebecois arrived in force in Ottawa, we have been in favour of big projects to jump start the economy and replenish the government coffers. In this regard, I spoke a number of times in this House to encourage the government to set up and invest in rapid transport, a high speed train in the Windsor—Quebec City corridor. The budget made no mention of this project. In fact, it indicated that there would be no more mega–projects.

From the start of the budget speech to the end of it, I watched the Department of Transport crumble. I watched the legacy of a century disintegrate. I kept waiting for the comforting announcement of a project that would get the economy moving—a high speed train. But no such luck.

Let us have a look at the coast guard now. We are presented with the integration of the Coast Guard into the Department of Fisheries and Oceans. At first glance, it would seem to be an interesting arrangement, because there is a promise of greater efficiency. But we must look carefully. Even though the budget contains no concrete measures, other than those affecting the fleet, the federal government plans to change the operations and level of service of the Coast Guard. These changes will take the form of cost recovery measures and increased fees.

• (1535)

These measures may jeopardize the competitiveness of ports along the St. Lawrence and of the shipping industry as a whole. Furthermore, part III of the budget estimates includes provisions to merge the Canadian Coast Guard fleet with Fisheries and Oceans, to delegate certain ship inspection activities to classification societies, to transfer to the provinces responsibility for inland waters of lesser importance and for more sound management of public ports, with the potential elimination of certain facilities.

This budget also provides for an increase in service fees, which is tantamount to a hidden tax to be paid by people using such services. This measure targets shipping services of course. Services provided by the Coast Guard benefit the public and for this reason fees for such services should not be increased. An increase in fees for these services, which limit the number of ice jams on the St. Lawrence, would prevent the Coast Guard from saving Canadian lives, ensuring navigation safety and would increase the risk of ecological accidents on the St. Lawrence.

In conclusion, such a fee structure would limit the competitiveness of Quebec ports vis–à–vis their American counterparts and the transport minister and the federal government have known this for a long time. The transport committee, of which I am deputy chairman, is currently undertaking a tour of the country's principal ports. In particular, we have visited Montreal, Quebec City and Mont–Joli in Quebec. We have heard clearly that higher rates would put an end to traffic on the St. Lawrence. Shipowners will prefer to unload their cargo in Halifax, or to forge on to ports in Boston, New York or Baltimore.

Is that the end result the minister hopes to attain? Stem traffic on the St. Lawrence? Steer traffic towards Maritime or American ports? Could it be that he is trying to scare Quebecers by a vision of what could be in store if they separated? It is not fear that has kept Quebecers in confederation for so many years, but the hope that they would be treated fairly, which decision–makers have failed to keep alive.

Quebecers are intelligent enough to figure out what the current government is up to, in particular the Liberal Party of Canada, which has always tried and is still trying to ruin Quebec and to play favourites with other provinces. My case in point is the closing of the Coast Guard college in Sydney, while the Quebec Marine Institute in Rimouski or, for that matter, other institutes in other provinces could have very easily done the same work. This duplication is costing $10 million per year to provincial institutions which could easily have taken over the job.

Now, on to privatizing CN. Canadian National is a Crown corporation that has served Canadians for many years. It is one of the institutions that has made it possible for Canadians from coast to coast to communicate with each other. If it were not for the railways, Western Canada probably would not have been developed to the extent that it has. The government now intends to sell CN, under the pretense that the decision will give society the flexibility needed to quickly make strategic decisions on operations and investments.

Is this an admission by the Minister of Finance that his government is not in a position to make strategic decisions? The sale of CN could cause many problems. Before selling off our economic development tools, we must take several precautions. According to the Nault report, some preparation work must be carried out before CN can be sold, namely reducing the debt, increasing profits and rationalizing the network.

First of all, the eventual buyer must be required to protect the rights of the Canadian people. Let us also keep in mind that the Nault report favours an Air Canada–like privatization process. We will have the opportunity to review these issues and to question the Minister of Transport both in the House and in committee. With regard to the national airport policy, we are told that airport commercialization will continue. Six national airports have already been transferred to local management.

The Quebec government will have to support local groups from small municipalities who want to enter into negotiations with Ottawa. As you can appreciate, Quebec taxpayers will again have to foot the bill for this federal policy.

• (1540)

In conclusion, from what I just said, you can understand that I am far from enthused by the budget trends regarding the Canadian air, sea and ground transportation sector.

This government shows its total lack of imagination. International financial players called for cuts, but the government cut indiscriminately, hitting seniors and the disadvantaged especially hard.

For over a year, we have been asking the minister to establish an integrated transport policy in Canada. This policy would determine what should be transported by rail, by ship, by plane and by road. Without being authoritarian and inflexible, this policy could provide for fiscal incentives favouring the best means of transportation.

Most of the countries in the world are developing rail transportation because it is the cheapest. Here in Canada, we remove rail tracks everywhere and convert them to bike paths. We let trucks with excessive loads onto our roads. The roads are being destroyed and the provinces must invest enormous amounts to maintain them.

Yesterday, I read an editorial by a great Quebecer and Canadian entitled "Imperial Federalism". What an appropriate headline to describe the federal government, whether Conservative or Liberal. They act without consulting, lead by fear, and always repeat the same mistakes. That is Canadian imperialism for you.

This government may feel that Quebecers rejected the Charlottetown Agreement by mistake or because they were in a bad mood. But it would be wrong. Quebecers can see clearly. They want to be part of the solution and not part of the problem. As long as they are in this imperialistic Confederation, the rest of Canada will think that Quebecers are the problem.

The Minister of Finance tried to convince us that his budget was a new form of federalism by attempting to decentralize some areas of jurisdiction, without transferring tax points, providing that Confederation partners comply with national objectives.

Quebec is a nation, a people. It has its own objectives and will never agree to be led by an imperial federalist government.

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, I wish to thank the hon. member for his excellent speech. I think he takes the interests of the Quebec transportation industry at heart, and he represents them well.

I would like him to touch on the possible implications of these cuts in transfer payments to the provinces, which the Minister of Finance indicated will be to the tune of $7 billion over the next three years. Transfer cuts mean less money being paid to Quebec. At the same time, the federal government continues to tax Quebec at the same level. Moreover, tax hikes are imposed on Quebecers, representing a deficit of about $6.5 billion for Quebec in taxes alone. Add to that some $2.5 billion less coming back to Quebec every year, and this makes a shortfall of $9 billion for the people of Quebec.

Instead of cutting taxes in Quebec, the federal government is cutting the share Quebec used to get. This makes for a rather significant shortfall, in fact a very significant shortfall for Quebecers. How can this be offset? As the Minister of Finance said, Quebec will have to either reduce public expenditures further or impose tax hikes Quebec taxpayers who are not only seeing their taxes go up instead of down, but receiving about $2.5 billion less from the federal government every year, which is utterly unfair. It is important that the people of Quebec be reminded over and over again of this fact.

• (1545)

How does the transport critic see the transportation industry in Quebec being affected by this drastic drop in overall revenue?

The Acting Speaker (Mr. Kilger): Having been more than generous with the 10 minute period allotted to the hon. member for Beauport—Montmorency—Orléans, I would ask that we get back on the right track, speaking of transportation. So, if he could keep his answer as short as possible, under two minutes in any case.

Mr. Guimond: Thank you Mr. Speaker for being so understanding.

I will answer the hon. member for Longueuil. The question comes unexpectedly, even though the member and I belong to the same party. We can make a comparison. I am convinced that when a Liberal member asks a question to a Liberal minister during question period, viewers in Canada and Quebec can tell that the answer has already been prepared. However, this is not the case here. I did not expect the question from the hon. member for Longueuil. However, I will try to answer it to the best of my knowledge.

Some hon. members: Ah, Ah!

Mr. Guimond: You can laugh if you want.

My colleague raises an interesting issue. I already had the opportunity to tell the Minister of Transport, in committee, that if the federal government privatizes or commercializes airports, ports and the St. Lawrence Seaway, Quebecers will have to ask themselves this crucial question during the upcoming referendum debate: Are we getting our money's worth, considering that we pay $28 billion in taxes every year to Ottawa?

When the federal government is investing in Quebec, it is not giving anything to Quebecers. When elderly people receive a cheque with the maple leaf on the stub, it is not a donation from the federal: it is money which these people, their spouse or their children have contributed through taxes. Consequently, this question is very much to the point, as is the whole issue of how the provinces will be able to provide the required financing.

For example, the federal government wants to transfer some regional airports. These airports will be managed by the local community, because the provinces have clearly indicated that they do not want those regional airports, and indeed I think they would have been ill–advised to take on that responsibility. I received confidential minutes in which the following issue was raised: If the local authority cannot make a profit with the airport in Sept–Îles, which currently makes $1.9 million in profit annually, what will happen? The federal airport in Sept–Îles will close. Consequently, will our taxes be adjusted accordingly? That is a very good question.

The Acting Speaker (Mr. Kilger): I thank the hon. member for his co–operation. The hon. member for La Prairie.

Mr. Richard Bélisle (La Prairie, BQ): Mr. Speaker, I would like to start by drawing the attention of this House to the size of the federal government's debt and the fact that government measures have done so little to change a situation that has now become chronic. The government must balance its budget as soon as possible, because its credit is fading fast.

The 1995–96 estimates tabled by the Minister of Finance show that public debt charges now represent 30 per cent of

government spending, while 22 per cent goes to payments to persons and 16 per cent to payments to other levels of government.

The last two payments combined represent 38 per cent of total spending, barely exceeding public debt charges as a percentage of the total budget. I think it is clear we have a problem when the cost of servicing the debt is only 8 per cent less than what the federal government transfers to Canadians and to the provinces in the form of transfer payments.

Considering the decline in program spending over the next few years and the expected increase in public debt charges, we will soon reach the point where debt charges alone will exceed total transfers to persons and the provinces. In other words, a larger share of our tax dollars will go to investors and people who buy government bonds than to the citizens of this country. Is that the kind of flexible federalism the Minister of Finance wants?

It is clear that the minister's budget has done nothing to stem the growth of the debt. The deficit for the year ending on March 31 would have been $41 billion, not $39.7 billion as forecast in the last budget, if the government had not used the surplus in the Unemployment Insurance Fund to absorb part of the deficit. Normally, the surplus should have been applied to job creation and dealing with the structural unemployment.

• (1550)

The government is still putting off the real decisions until later. The cost of the public debt will increase from the $42 billion it will be at the end of this year to nearly $51 billion in two years' time.

We have to conclude that Liberal carelessness has brought this prosperous country to the brink of bankruptcy. Under the most optimistic scenario, the deficit will not be eliminated before the turn of the century. At that point, the cost of servicing the public debt will be over $60 billion. What waste and what wealth lost. Imagine what we could do with another $60 billion in the government coffers annually.

The government is adding insult to injury. It continues to invade provincial jurisdictions, but without paying any more for the programs for which it imposes national standards on the provinces. Quebec will have the unpleasant job of taxing its citizens in order to comply with the federal standards pertaining to the block funding planned by the present government.

In the end, Quebec will pay, but Ottawa will set the rules. The funding will be decentralized, but decision making power will remain in Ottawa. The federal government is not transferring any tax points in exchange for the reduction in transfer payments to the provinces. The government is doctoring the truth and putting the real decisions off until after the Quebec referendum. The federal contribution to social assistance, health care and education will drop by $7 billion in the next two years. This is a huge amount in terms of health care and education, but, unfortunately, too little to put an end to the deficit.

Overlap with the provinces will not disappear. Program review and efforts at streamlining have focused particularly on departments and agencies that are strictly under federal jurisdiction, where there was no overlap or duplication with the provinces. These departments include the Department of Foreign Affairs and International Trade, National Defence and the Department of Transport.

The federal government is not getting out of areas under provincial jurisdiction, where little streamlining efforts have been focused. While it is chipping away the unemployment insurance program little by little, the government is imposing a temporary tax on bank capital, which will bring in $100 million over the next two years.

During this same period, the unemployed will be contributing $3 billion to deficit reduction, that is, 30 times what is being asked of the banks. This temporary tax represents only a little more than 1 per cent of the banks' annual profits, while the middle class remains overtaxed. Two sets of rules: a temporary tax on bank capital and a permanent tax of up to 50 per cent on the income of middle class families.

There is also the excise tax. The federal excise tax on gasoline is increased immediately by 1.5 cents a litre to help reduce the deficit. Why, then, wait until 1999 to reinstate the 21–year rule for family trusts? Doubtless, to enable these families to find another tax shelter. Always a double standard: one for the monied, another for the workers, the unemployed and the middle class.

The impact of the budget on Montérégie and the riding of La Prairie, which I have the honour to represent in this House, is also devastating. While the Auditor General was saying that we could save close to $1 billion if national defence were better managed, the government decides to close the base at Saint–Hubert, even though Quebec only has 15 per cent of the country's military facilities.

After losing the Royal Military College in Saint–Jean, Quebec and the Montérégie region are losing the base at Saint–Hubert.

Almost 40 per cent of the inhabitants of the town of Brossard, which makes up 55 per cent of the federal riding of La Prairie, are of an origin other than Canadian. Several are recent immigrants, others are political refugees. The budget would impose a fee of $975 per adult immigration request on future immigrants. We should bear in mind that this amount is more than the average annual income in several countries. Is the government opening the door to rich immigrants only? We should ask ourselves this question. Why impose an entrance toll on people who want to come here to improve their economic situation? There is something despicable about reducing the deficit on the backs of people who have yet to set foot on Canadian soil and

whose financial situation is often unstable. Is this the image Canada wants to project as a land of welcome?

Are Canadians so powerless to resolve their deficit problem that they have to tax people who are thinking of settling here? This measure is revolting and should be rejected by Parliament.

In conclusion, I would like to add that the government's borrowing power must be limited and nearing its saturation point if we have to enforce such deficit reduction measures. It is from this perspective that we should examine Bill C–37.

• (1555)

Mr. Martin Cauchon (Outremont, Lib.): Mr. Speaker, I listened attentively to the remarks made by my colleague from the Bloc Quebecois. It is obvious that when measures taken by the governing party are good ones—because they are in the interest of Quebec as well as Canada—such measures will always be disparaged by the party in opposition whose views are exclusively separatist.

We all know that the business and international communities have responded favourably to the budget brought down by the finance minister. In other words, it is the most responsible budget possible.

The current government said it would control the debt and the deficit, but I would also like to draw to the attention of this House remarks made during the last election campaign by the Right Hon. Prime Minister of Canada who stated that the debt and deficit must be controlled but also that a fair balance must be struck between the government's social role and the reality of budgetary constraints.

To my mind, the finance minister's budget is in every respect consistent with the Liberal philosophy of a fair balance. We will get the deficit down. Indeed, we have reached and ever surpassed our objectives because the deficit is lower than anticipated. In saying that the government has a social role to play which must be maintained, well, with this budget we have fundamentally reconsidered the role of government.

People are saying that block transfers to the provinces are disastrous, I say that is pure grandstanding. I myself was a member of the parliamentary committee on the reform of social programs and I must say that, throughout Canada, people were asking for greater flexibility for the provinces. In Quebec and everywhere, people asked for block transfers. And so when the finance minister says he is rethinking the role of government, it is in fact to restore greater autonomy to the provinces through these block transfers.

What else could people ask for? The block transfers obviously entail some cuts, but we must not lose sight of the fact that the cuts we are imposing with this transfer in regard to the Canada assistance plan, health and post–secondary education is not as harsh as the measures we have imposed on ourselves. We must remember that by making a block transfer to the provinces, we are eliminating some overlaps, thereby reducing administrative costs.

Needless to say, this budget could be described as exemplary and that is why opposition members are trying to discredit it, but they are having a hard time doing so because that is not consistent with their views. This budget has something for Quebec and the other provinces, it gives them greater autonomy. That is what Canada will be like tomorrow and it is the Liberal Party, the present government, which will bring Canada into the next century.

And now, my question. In Quebec, people talk about wanting to regain autonomy in budgetary matters, returning taxation power to the province of Quebec, about having more budgetary capacity come separation. Considering that equalization works to Quebec's advantage—

The Acting Speaker (Mr. Kilger): Order, please. I must take into account the fact that the hon. member was allotted ten minutes with five minutes for questions and comments; that time has almost run out.

Mr. Bélisle: Mr. Speaker, I would like to tell the hon. member for Outremont that what the federal government will be transferring to the provinces in terms of block financing is a thinner envelope, a teeny weeny envelope.

• (1600)

When I mentioned in my remarks that the federal government was adding insult to injury, I was referring to the fact that, historically, as the Prime Minister said earlier today, to have a say, you have to pay. Up until now, the federal government paid. But in the future, while withdrawing financially, thereby passing on to the provinces the dirty job of cutting back social programs, the federal government wants to continue laying down standards, national standards. That is the problem.

Mr. Martin Cauchon (Outremont, Lib.): That is not true. Read the budget carefully. Go ahead.

Mr. Bélisle (La Prairie, BQ): If the hon. member for Outremont will let me finish. Naturally, some social programs have to be maintained, but the problem is this: at this rate, certain cuts have been so poorly targeted that, if you tie program spending to debt charges and the debt continues to grow at the same rate, there will come a time, five or six years down the road, when program spending cuts to the tune of $75 billion will become necessary to match debt charges of $75 billion. The

federal government will then be paying as much on debt service as on all programs provided to individuals and the provinces. We will have a crisis on our hands. That is what this government is leading us into.

[*English*]

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister, Lib.): Mr. Speaker, I am very pleased to join in the discussion today. For too long in Canada we have been living in a context which ignores the future implications of our actions. The government has done much more than sit back and wring its hands about the serious economic situation of our country.

Canadians and the governments they elect, whether locally, provincially or nationally, have for a long time been well aware of the impact of the deficit, of how it undermines consumer confidence, of how it diminishes our ability to compete internationally, and of how it robs our children of an economically viable future.

More often than not governments did not act, refused to act. On February 27, 1995 the government demonstrated its willingness to act. The government demonstrated its courage and commitment to make the necessary sacrifices to ensure a better future for Canadians. The Liberal government has submitted to the House a framework that will deliver back to our country and to its citizens the confidence and optimism needed to create a strong, dynamic economy, which is necessary in the context of market globalization.

To listen to the members across the way we would think that point has been missed on them. As a member of the human resources development committee of Parliament I am in a position to say that the strong actions taken in the budget reflect our determination to maintain our commitment to the principles of the Canada Health Act and reinforce our commitment to work with the provinces to provide better and more affordable services.

The provinces have always argued that they are closer to the people, that it is their constitutional prerogative to administer social programs in a cost effective way. The Canada social transfer will be negotiated by the Minister of Human Resources Development and will allow them to do just that.

The bottom line is that Canadians want both government levels to work together to manage social programs better. The budget continues the fundamental structural reforms needed to do that. If we do not act now, our social programs will not survive in the future. We care about our systems of health and education. We care about protecting seniors and the most vulnerable in society.

I would like to share with the House some recent experiences in my riding of Etobicoke—Lakeshore. My constituency office receives numerous calls on a daily basis. In the recent days preceding the budget I received well over 800 calls from constituents asking me to convey their thoughts to the minister that personal income taxes should not be raised. This was a message that I as well as other members of the House communicated to the Minister of Finance.

I knew the finance committee had been around the country. We heard Canadians tell us what should be done. I am here to say that the process worked. The views of Canadians are reflected in the budget. I will give some instances.

• (1605)

In my own riding one of my constituents, Mr. Ted Morris, said:

> Income tax remains the same, thank God. This is a budget that seems to have deflated indignation.

Mr. Morris also brought the message of a local bank manager happy about the increased value of the Canadian dollar, a local real estate broker pleased with the national unity implications, and a retired department store employee wondering whether the provincial government would follow suit.

To some of the residents in a popular Etobicoke donut shop yesterday morning there was an understanding that governments in the past have lived off their credit cards and that this government was ready to start correcting spending habits.

I have a letter here sent today by fax from a constituent, Mr. Michael Kern. He said:

> I am pleased that personal income taxes did not increase. For the moment I feel that the new gas tax is acceptable.

He went on to say:

> Over the past several days the media has been monitoring the opposition to the new budget. I am sure that you have seen news reports of the opposition parties giving their critique of the budget. However on the same news reports reactions from the public are usually shown. My opinion of the budget seems to be in line with that of the general public. We are satisfied. It seems that the only people upset are the opposition parties.

I can go on and refer to several other points that he said. He referred to the new immigration policy. He said:

> That is not bad, not as bad as groups would make it out to be.

He said:

> When you join a social club you have to pay an initiation fee and I believe that the privilege of immigrating to Canada should be no different. The bottom line is this. Mr. Martin has taken the initiative to reduce the deficit, something that previous federal governments seemed to dance around. In addition, Mr. Martin has done so through sensible cutbacks and corporate taxes. I am happy to see that the working Canadian finally does not have to shoulder the responsibility alone. Mrs. Augustine, please accept my congratulations to your government on a practical budget that I feel we can all accept.

I am not certain what messages the Reformers get.

Our government is committed to providing a fair and reliable system of protection for seniors. I know there are several seniors in my riding wo are watching the debate today and who are concerned about protection for seniors, equality, balance and all

the things required to ensure the pension system is sustainable in the long term.

The budget states the basic principle for reform in terms of seniors programs is to ensure the system continues to be affordable and that we have some goals for changes in 1997. The budget states these basic principles: undiminished protection for all seniors who are less well off, including those receiving the GIS; continuing full indexation to protect seniors from inflation; the provision of OAS benefits on the basis of family income, as is now the case with the GIS; greater progressivity of benefits by income level; and control of program costs.

The bottom line remains that Canada is still the best country in the world and remains a model for other nations. With the budget the government has demonstrated leadership. Canadians know that we will continue to benefit from a number of social programs that reflect our understanding of community. These programs are implemented in a way that permits governments to take into account changing times and changing needs.

It is in the spirit of federal–provincial co–operation and to provide the greatest possible opportunity for our economic recovery that I join in the debate and support the budget.

As someone who is an immigrant to the country, I know there are concerns by all who are in the process of applying for permanent residence. As the minister of immigration said, we are all in this together, those who are joining us, those who are here and those who want to be here.

• (1610)

The fee is set out in typical Liberal fashion. As a caring and compassionate government we ensure that no one will be turned away as a result. Loan programs and other ways of assisting are also included in the process.

This is an excellent budget and I call on everyone in the House to endorse it.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière–du–Loup, BQ): Mr. Speaker, I listened with interest to the hon. member for Etobicoke—Lakeshore, who told us about the interesting things she sees in the budget. I had the opportunity to travel with the hon. member when the Committee on Human Resources Development criss–crossed the country. I would like to know if the hon. member is as satisfied with the measures announced in the budget as with the lack of certain measures.

Was she not hoping that something would be provided for social housing? Indeed, it is clearly established that the best way to fight poverty in Canada is to provide a dwelling, at a reasonable cost, to people who often have to spend 40, 50 or 60 per cent of their budget on housing, because other forms of assistance are inadequate. Does the member not think that the budget should have provided something in that regard?

During the committee hearings held across the country, did the member hear anyone say that the government had to take $700 million out of the UI fund, as provided in the budget? Did anyone ever tell the committee that cuts should be made to the UI program? When the committee travelled to Rivière–du–Loup, did anyone ask that all transportation subsidies be eliminated immediately, that the whole economic structure of the region be changed without any transition period to adjust, and that the UI fund also be reduced, thus leading people to leave the region? Did the member hear any such thing and is she pleased with this budget as regards social housing and the cuts affecting the unemployment insurance fund and the transportation subsidies?

[*English*]

Ms. Augustine: Mr. Speaker, I am pleased to recollect for my hon. friend our experience across the country. Over and over we heard the messages. Maybe we interpreted them with different ears. However, people told us over and over about jobs and the creation of jobs. They told us that the best social security for individuals was the ability to find work and the ability to provide for their families.

It is also important to note that the individuals who spoke to us on a number of issues stressed quite strongly the fact that they wanted the involvement of the federal government. They wanted some principles, some national standards, and some way of operating that would ensure protection and security in the fact that the federal government would provide the necessary support.

As federal legislators, the expectation from us is to ensure that we provide the kind of economic climate in which individuals will find jobs.

Mr. Robert D. Nault (Kenora—Rainy River, Lib.): Mr. Speaker, I rise in support of one of the toughest budgets in Canadian history. A tough budget was needed to keep the country on track. It is a budget that Canadians have been calling on the government to table and I am proud to stand in my place today to support it.

We have answered the demands of Canadians with a tough but fair budget. We have taken the necessary fiscal action in a sensitive manner that addresses the priorities of all Canadians. No doubt there is pain involved, but the pain does not hit like a sledgehammer. A sledgehammer would devastate everything around the target. Rather, it is like a bow and arrow. We hit the targets dead on without devastating everything around us.

• (1615)

This budget is the arrow that will hit our deficit target without destroying the foundation we have built.

That is the difference between the budget that was tabled by the finance minister on Monday versus the budget we saw by the Reform Party the week previous. You can cut, but there are ways to cut. I would emphasize that this is the difference between the Liberal Party philosophy and the one across the way.

The 1995–96 the federal budget has gained widespread support. Yes, there is opposition that this budget is too strong or does not go far enough or will spell the end of Canadian society as we know it. The answers to those criticisms are easily found.

The budget comes down squarely at a crossroad for this country. It must be a strong budget as Canada meets the economic and fiscal challenges leading into the next century. If this budget went any further, slashing and burning government spending with reckless abandon, that is just where Canadians would find themselves, abandoned by their government.

As I said before, Liberals do not abandon people. By taking this sensible approach to our fiscal situation, it is this government that will ensure social programs and basic services remain apart of Canadian society.

This is a make or break budget for our deficit situation. We must not impede economic recovery and the potential for growth. By taking the steps contained in this budget, we are directly acting on our fiscal position so that Canada can maintain and not destroy the universal social programs that define this nation.

This budget must satisfy demands of international markets, a reality of living in a global trade environment. The financial community quickly graded this budget with high marks.

Interest rates have dropped and our dollar immediately climbed in the markets. The government did not panic. We listened to Canadian taxpayers, to international markets, to dozens and dozens of interest groups. Then we acted with sensible, intelligent and compassionate approaches.

We are, as the finance ministers says, breaking the back of the deficit. The international community has acknowledged we are on the right track. Many of my constituents have told me that they are impressed with this budget. Canadians obviously approve.

The budget takes necessary steps to secure Canada's fiscal position. The federal budget is just strong enough. The minister of finance has found the right mix of spending cuts and revenue measures to ensure a fiscal trend of deficit reduction.

This budget significantly reduces government spending but is crafted in a way that is fair to all regions of the country. We must bring our finances in order. To do that Canadians everywhere must share, quite frankly, in the price we must pay for fiscal responsibility.

I hasten to add that sharing in the cost of reducing our deficit will not involve paying more tax. We will meet and exceed our deficit reduction targets without an increase in personal taxes.

The government has taken on the challenge of fiscal prudence while maintaining steady economic growth. This is not an easy task. Our choice is to fundamentally change the structure of government. Our focus is on reduced spending and a smaller, smarter government.

I have been a long time supporter of our public sector service. The reality we face as Canadians, and one that must be shared by our public servants, is that government must be streamlined. The public sector must find a way to become more efficient. It is a tough assignment but I am confident that Canada's public servants can bring government into the next century.

If anyone is capable of meeting that challenge, it is the men and women working in the public sector. These professionals are embarking on a difficult transition. I urge our public servants, many of whom I know personally, to apply their skills and to contribute to Canada's future.

We all know that the public sector will lose about 45,000 positions, but last year alone there were almost a half a million new jobs created in Canada. The objective of this delicate budget is to bring the government house in order without upsetting the balance of economic stimulus. A healthy economy will provide jobs for skilled people such as those who will be leaving the public service.

• (1620)

Government supports the creation of new jobs but it is business that does most of the hiring. We will realize savings from cutbacks in government spending but there is also increased revenue from newly created jobs.

My riding is located in northwestern Ontario. It is a region of Canada that can be used as an example of how the budget will impact Canadians. Northwestern Ontario will suffer from spending cuts and revenue measures. We will lose forestry and mining developing funding shared by the federal and provincial governments. The decrease in dairy subsidies will affect us and the gasoline tax will hurt.

I realize, as my constituents do, that we will survive. I think everyone of us realizes that we have to share the burden in one way or another. My riding has never depended on government for its survival. I think the majority of my constituents would rather see government get its act together instead of receiving a handout.

Northwestern Ontario has carved an economic foundation from the resource sectors such as forestry, mining and tourism.

Comprehensive diversification of our regional economy is a long term goal which is progressing.

I am encouraged that this budget, while reducing or eliminating subsidies, is keeping business support programs in place. Small business loans, export and marketplace services and technology support all remain a part of the federal mandate. We are also optimistic about the future of tourism initiatives that have become a federal priority.

The relationship between small business and the banking sector has been a longstanding concern in my riding. When I was in opposition it was something we talked about on numerous occasions, that small business is still not getting a fair shake from the financial institutions in the country.

In the budget the access to capital for the reasonable ventures essential to the economic growth in my region is again going to be a priority of the finance minister. I am still hopeful that sooner or later the banks in this country will realize that without them we cannot get this economy rolling to the extent we believe it can.

Recent increases in the Small Business Loans Act are a positive sign. A region such as northwestern Ontario is dictated by unique circumstances. I also feel the privatization of crown corporations will be received well in this House and in the riding I represent.

I chaired a government task force to study the future of the Canadian National Railway. The commercialization of CN is one of the recommendations in our final report. This action and other commercializations such as Petro–Canada has great potential for the private sector. It puts business in the hands of business people and leaves government with the task of regulating, not operating.

The fearmongering on the issue of social programs is something I want touch on a little. The issue of Canada social transfers does not hold much water in my riding. If we changed the system my constituents would applaud that simply because they are not satisfied with the current structure of social programs as they exist today.

Like many members of the House, I have conducted a survey on social security. The overwhelming response was that social policy must change. This budget sets social policy changes in motion and I applaud that. Once again, the government has not pressed the panic button.

The other side tends to press the panic button to make people concerned about the fact that we are not moving quickly enough. Those who have been here around here a little longer will realize that if we take our time and put the right programs in place those will be the programs that will survive the test of time and they are the kinds of programs that built this country and made it the great place we live in.

If we are to change our system we have to make sure it is a change for the better and not for the worse.

• (1625)

This budget makes it clear that this party is responsible for universal social programs in Canada. It will be this party that brings social policy into the 21st century. Of course the only way we will do that is to ensure we can afford it and this budget does just that.

This is a responsible budget. We are attacking the deficit but we are planning our attack without undue casualties. The social fabric of our nation will survive. We are setting a responsible pace of deficit reduction to preserve economic growth and stability.

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, I was interested to hear the hon. member saying his constituents have been very pleased with the budget, especially when the Prime Minister and a number of other Liberal MPs have been saying how this is not a budget they wanted to bring in, that it is an anti–Liberal budget.

I wonder if this actually means the people in central and eastern Canada voted Liberal because they had no other choice and that they actually do not want traditional Liberal budgets or traditional Liberal policies. Polls taken on things like justice and the budget show that Canadians actually want Reform style policies and budgets.

I ask the hon. member whether the fact that he is getting compliments about the budget actually means people do not support Liberal policies.

Mr. Nault: Mr. Speaker, as I have on numerous occasions in this place, let me make very clear to my friend across the way that I do not come from central Canada. I come from western Canada. I happen to be the member of Parliament for Kenora—Rainy River, which is in a vast riding in northern Ontario. It is on central time and is so close to Winnipeg we have very western ideas. The riding has been voting Liberal long before I was alive and, yes, there was a Reform candidate who ran in my riding. He was lucky to get his deposit back, the lucky soul that he was.

I can assure this House that my riding, being of very western flavour, believing very strongly in Canada's social programs and fabric, would not have been voting Liberal since the turn of the century if it did not believe in Liberal principles.

If this budget, as is being suggested by the member, were not a Liberal budget I would have heard about it first and foremost in my riding because my riding, as I said, only voted one other way in its history and that was when it lost its way in 1984 when everybody was foolish enough to vote Tory and it went with the

NDP. I can assure members that my constituents learned their lesson that one time and now have gone back to the Liberal fold.

I have received five phone calls on the budget from people who were concerned about social programs. The remainder of the people in my riding have called to say this is a great budget because it sends us down the track. It also recognizes that we did not get into the mess in three years, like the Reform Party seems to suggest, and we will not get out of it in three years as it suggests.

It took us 20 years to get into it and it will take us some time to get out of it. We should use our good, common sense and not tear and gut the heart and soul out of Canada by doing that, but take our time and restructure the economy the way it should be restructured.

[*Translation*]

Mr. Martin Cauchon (Outremont, Lib.): Mr. Speaker, I will be brief. I would simply like to add to the comments of my eloquent colleague, who clearly, has done a fair analysis of the budget situation. I would like to add, on the matter of national standards, as I mentioned earlier, that the Minister of Finance created a new transfer in the budget to be called the Canada social transfer.

The opposition is saying that again we are setting national standards for the Canada social transfer. I see nothing wrong in setting national standards. The problem with national standards—and again the opposition is trying to doctor the truth—is that, in the past, the standards were set unilaterally by the federal government. Now what we are saying, and it is in black and white in the budget, is that we are inviting all of the provinces to work together to set national standards jointly and in a spirit of co–operation.

This is the new Canadian federalism, flexible federalism, co–operative federalism. We are not trying to hide the truth or use some form of trickery to take away what is in fact in the budget and what was requested by all of the provinces.

• (1630)

[*English*]

Mr. Nault: Mr. Speaker, I want to quickly say to my colleague and to other colleagues in the House that federalism is by far one of the best systems in the world. There is a reason for that. The reason federalism works so well and why other countries wish they had a federal system like ours is because it is fluid. It is not static. The reason federalism works is its ability to be flexible.

Anyone who has analysed where we were when we first became the country of Canada and where we are today with the changes that have taken place has found that we have been able to adapt to tremendous change when necessary. It is the reason this country has been so successful.

If this government keeps on track the way the finance minister has been going, I predict as I did in the last election that by the end of the 1990s we will have our deficit under control. We will be paying off our debt. We will be back on track. We will still be the best country in the world. Our fiscal and monetary policy will be back to where it would have been had we not had that 10 years of Tory rule which messed it all up for us.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, as I rise to debate this borrowing bill, I must flag a historic event for the House. We have finally witnessed a budget that, however timid, at least attempts to cut federal spending in real terms.

It has been decades since we have seen this kind of budget and it marks a great victory for the Reform Party of Canada. This budget would have been unheard of only a few years ago. It indicates a stunning conversion on the part of the Liberal Party.

I am delighted the financial markets have reacted positively so that things may go well for our country. Above all, I wish for prosperity and stability for Canada. When that happens I am pleased, no matter who brings down the budget.

However, just as a leopard cannot change its spots, I cannot believe the Liberals have really been converted. The budget was an act of pure necessity, not something done out of the courage of their convictions. The Liberals did the bare minimum they could in order to avert a national financial disaster. Had he had his way, the Prime Minister would have increased spending and taxes even more than he did. He said as much on the CBC program "Morningside" yesterday.

In this respect there is no denying that the presence of the Reform Party of Canada in this House is a bulwark in defence of the taxpayer, a stronghold of protection of the public interest. The Reform Party, working with Canadian taxpayers, can take the credit for this change in direction.

Fifty–two members of this House put sustained pressure for a year and one–half on this government to reduce spending. The government finally responded by adopting a plank from the Reform Party agenda, just as it adopted the agenda of the NDP when that party was a factor in this House.

Although the Liberals have formed the government, there is a new game in town. Today the government is forced to respond to the criticisms from a fiscally responsible opposition, no longer from the loonie left. They still form the government and they still have the numbers in this House to pass any laws they choose, but they no longer possess the moral or political mandate from the people to complete their leftist agenda. The political mandate is passing to the Reform Party of Canada. The Reform Party is now driving the national policy agenda. In that reality, I take great satisfaction.

There is so much more left to be done. So much of the public interest was ignored in this budget. The government went half way, but it could not bear to bring itself all the way in order to defend our economy, to defend our social programs and our future prosperity. I am truly dismayed by several aspects of this budget. All things politically correct were left virtually untouched.

My constituents have indicated clearly, for example, that they want the CBC to be downsized by two–thirds. Instead, it was cut by 4 per cent. Through an extensive survey process my constituents told me that they want the Department of Indian Affairs and Northern Development to be substantially reduced. Instead, the government increased that budget by 12 per cent. Special interest groups are left virtually untouched. The Canada Council was cut by a mere 2 per cent. The National Film Board was cut by just 5 per cent.

I find it disgusting that the government can go ahead and cut UI but not make dramatic reductions to these other agencies. The government has not dealt equitably with the people of Canada in leaving so many institutions unscathed. How can the Liberals start cutting our social safety nets when they refuse first to abolish their own gold plated MP pension plan?

• (1635)

Many budget items simply reflect the power of individual ministers. Why did Cape Breton Development Corporation receive a 69 per cent increase? The fact that it is in the riding of the Minister of Public Works and Government Services may have something to do with it. Why will CIDA be downsized by only 30 people? The Minister of Foreign Affairs swings a lot of weight in cabinet.

As I have already stated, this budget was not about fairness. It is not that I am in disagreement with all of its decisions, but the hypocrisy of this budget makes me question everything the government says. This budget was all about broken promises. The examples are legion.

The government promised never to change the workforce adjustment directive without union consent. It is breaking it. It promised massive changes to social programs. There are none, though there must now be massive changes down the road. It promised not to increase taxes on the middle class but it did it anyway. It promised to reform the GST, but the GST is unchanged. The Prime Minister was to repudiate the NAFTA. Today he praises it. He promised to increase foreign aid to .7 per cent of GDP. On Monday he slashed it by $500 million.

Two years ago the Reform party proposed cutbacks in the public service totalling 30,000 to 35,000 employees, cutbacks which would have been over and done with by now. The Liberals called us callous and uncaring. Now they are gleefully laying off 45,000 public servants. The Minister responsible for Public Service Renewal says that even more layoffs are in the works. That is callous and uncaring.

Farmers will remember the broken promises. Remember how the Liberals would never sign the GATT without strengthening article XI(2)(c). They signed it anyway. Western grain farmers lost the Crow subsidy. They can add to that a new fuel tax and major cuts to farm programs in the agriculture department itself.

This government quite happily kicked farmers in the teeth, but not until after it had won the election. Farmers are willing to do their part, but if cuts in other areas were as serious as the agricultural cuts, we would now have a balanced budget within our sights.

My own constituency is presently facing a grave economic situation because of this budget. It will take a hit all out of proportion to its own numbers. The Hope weather station will be closed next month. More important, Canadian Forces Base Chilliwack in my riding will be closed over the next four years. This will mean $105 million or 7 per cent of all economic activity in Chilliwack will be cut out.

Perhaps the Minister of Finance did not see the study that was released on Monday. It showed that in terms of regional distribution, British Columbia gets $700 million per year less than it should, given its share of the population. Again, we are ready and willing to make sacrifices in B.C., but why would the government increase the regional disparity by taking $100 million more out of British Columbia?

With the possible exception of Cold Lake, Alberta, there is no community in Canada that will suffer more from this budget than Chilliwack. And the Liberals call that fair? I call it shameful. The people of B.C. will one day pass judgment on Liberal policy.

No longer will there be a land forces presence west of the Rocky Mountains. In the case of a natural disaster or civil disorder there will no longer be that natural resource that the people of B.C. can count on. This is short–sighted. It is bad policy in a civil, military and an economic sense. The third largest province in Canada deserves better.

Now I must come to the bill before us. The fatal weakness of the budget is that this bill will work great harm in Canada. In two years Canada will pay $51 billion in interest alone. Program spending will decline to $108 billion and interest payments will increase to half of our program spending. That borrowing bill is nothing more than an enormous social program for foreign investors.

The Minister of Finance decries the Reform taxpayers' budget, but Reform alone faces up to the truth. Because of the interest payments on our national debt, the frightening prospect of the total destruction of many of these programs is looming

directly ahead. We are choking the life out of them by continuing to run huge budget deficits.

After all the Liberal fanfare, the deficit is still huge. It will still be $25 billion two years from now. By then we could well be in the middle of a recession. The American economy is already showing signs of a slowdown. If that continues, or if it happens, our economy will be in a meltdown.

The Minister of Finance criticizes Reformers for suggesting that we adjust social programs now while there is time. In the next breath the government admits it is conducting its own study into the pension situation. By the time it screws up its own courage to act, the cuts it will make to old age pensions will truly be devastating. They will leave seniors in real poverty.

• (1640)

The Liberals can see the numbers as well as anyone. They know what needs to be done to protect our social programs in the future, but they are going to put off action because they do not have the guts to make the tough decisions today. In fact they will heap abuse on Reform suggestions, even if these suggestions are in the public interest, even if they are quietly undertaking to do exactly the same things themselves in an underhanded way.

Last week I tabled a petition with 20,000 names, calling for no new taxes. In a few days I will table 13,000 more names. I personally delivered 2,000 letters from my constituents to the office of the Minister of Finance calling upon him to balance the budget without raising taxes. These people did not get their wish. Canadians wanted a timetable for a balanced budget but the government failed to deliver.

There are simple tests of good government: conscientious control of the public purse; a strong clear vision of and commitment to the public interest that reaches far into the future; attention to regional fairness; and equitable reductions in government spending. I am disappointed that the government has failed these tests.

This budget has failed the Canadian people. No matter how well it is accepted by the markets in the short term, the numbers predict our future in the long term. The government had a chance to mend our social safety net on Monday, but through Bill C–73 it will allow interest payments to tear it to shreds over the coming years.

Shame on the government that it has squirrelled away the past year and a half making budget balancing all that much more tougher than it needed to be. It is a shame it is planning to saddle our nation with another $90 billion in new debt, a debt which will be a pox on our social programs, a curse on our taxation levels, a drag on our job creating businesses and a millstone around the necks of our children and grandchildren, forever and ever, amen.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, last night I had the opportunity to review the base closures on television. The Chilliwack base is being closed which I understand is part of the member's riding.

There is not a member of Parliament on this side of the House who did not feel the pain that was expressed on that show last night. That is why many of us on this side of the House for the last few months have been trying to communicate to the opposition, to the Reform Party that we should not just be talking about the federal deficit. We should be talking about the human deficit.

What bothers me is that the debate has not expanded beyond the deficit in traditional terms. We have to figure out what we are going to do in the long term. Not only our country but other countries around the world have been faced with fluctuating interest rates. Capital is being pushed around by people who are shorting their own currencies and playing with derivatives and everything else. We as one nation in the G–7 are almost victims of this international game which is being played.

I wish that with the Reform Party members we could expand this debate. Let us not just think about the budget and the tough decisions we have had to make on this side. Make no mistake, we feel the cuts on this side as much as they do. I would venture to say many of us feel them even more. As Liberals it goes against the very grain and soul that brought us to this place, whereas the Reformers seem to be much more conditioned to deep cuts regardless of the human side of it.

• (1645)

Would the member be willing when we return after question period, along with his other colleagues, to maybe enter into a debate on a new and improved Bretton Woods agreement? We should start looking at what we can do to change interest rates, not just for Canada but for all the world. At the rate we are going it is not just Canada that is in trouble. It is the whole world.

Mr. Strahl: Mr. Speaker, I thank the member for his presentation. I understand his first point about the base closures. I realize that base closures have affected many ridings and cross party lines. Some of the Bloc members have had ridings affected. I know many of the Liberals have had closures in their ridings as well.

With the closure of CFB Chilliwack there will no longer be an army base in all of British Columbia. There are 12 bases in Canada. There is not even one in B.C. To me that is a concern. Emergency preparedness is a concern. Even more so, it is a concern that there be a national armed forces presence.

I am concerned that people from B.C. get an opportunity to be trained in Quebec, as I am that Quebecers get an opportunity to be trained in B.C. It is just a matter of equity. I realize I am not singled out in one sense, and yet on the other hand it is a mistake in the long term not to have a land forces presence anywhere in British Columbia. It is short sighted. I realize I share that hurt

with many members on both sides of the House, but it is short sighted.

The member talks about the cuts we want to make regardless of the human side. Reformers have consistently said it is because of the human cost that we have advocated change. It is no fun to be the guy who says we have to make severe cuts and we even have to readjust our expectations in the pension plan. What fun is there in that? The reality is I want to preserve the core of that for people who need it.

By preserving it now in a relatively short order, we can preserve the parts that make Canada great. It is because of the human side. The last point about the Bretton Woods institution, I have a private member's bill on the Order Paper about the accountability of international financial institutions—

The Speaker: I regret the member's time has expired.

Mr. Strahl: It is because of the time that he took.

The Speaker: With the greatest of respect to members on both sides of the House, the total time is five minutes and I think that has been fulfilled.

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, I look forward to the day when I will not have to rise to speak about a borrowing bill.

Liberal members of course, have spent the last few days claiming that the finance minister's budget is the greatest thing to ever bless Canada. They claim that the world financial markets love it and that their constituents love it and all is well. In fact, I would like to thank the member for Broadview—Greenwood for confirming that the budget that the people like so well is not Liberal policy. It simply confirms that people do not want Liberal policies.

Members opposite for the last two days have been claiming the dollar is going up and interest rates are coming down. They say: "Don't worry. Be happy". I think the decline in interest rates has a lot more to do with the amount of money people have put into GICs in the last few days for their RRSPs. It has given the banks a surplus of money that they have to get rid of.

Today the dollar did not continue to go up the way members opposite had hoped. It continued to slump, down to 70.92 today, which is more than a cent and a quarter below the high the day after the budget.

Perhaps this means that the international markets have had time to look a little more closely at the budget and they can see that most of the cuts are deferred until next year while all of the big tax increases occur this year. However, I do think we really have to wait a few weeks before either side decides they have the answer to whether the dollar is going up or down. We need to give the markets time to really continue to study this document.

There are tax increases in the budget that are really going to hurt the average Canadian very much. Liberal MPs must be the only people in the country who think that a penalty tax on banks is not going to affect the loan rates or the service fees or something else that people use at banks.

• (1650)

Liberal MPs must be the only people in the country who think that a 1 per cent increase on the surcharge tax for corporations will not trickle down to price increases or service charge increases.

Liberal MPs must be the only people in the country who think that a 1.5 cent a litre increase in the tax on gasoline will not mean higher prices at the pumps.

Despite all of these deceptive increases in taxes that will hit the average Canadian, the ship is still going down, albeit a little more slowly and with a few less crew on board. In three years the interest payments on the debt will have consumed every single cent the finance minister has saved in his latest budget.

The minister was quoted in the Vancouver *Province* as saying: "The light at the end of the tunnel is much closer than any of us might think". That light is getting larger because there is a locomotive bearing down on us. The finance minister may be going in the right direction but he is on the wrong track. Increased taxes will not bring confidence to the job creators of the country, that is businesses.

I know members opposite think the government creates jobs but it is actually business that creates meaningful and real, long lasting jobs. If businesses do not feel good about the economy they will not expand and create jobs.

Let me compare the finance minister's performance with that of some of the governors in the United States. A constituent in my riding, Mr. John Dickenson, provided me with a tape of a speech made by Governor Carol Whitman of the U.S.A. She is the governor of New Jersey.

Governor Whitman cut business and income taxes three times over a two–year period, a 30 per cent cut in taxes at the same time as she slashed spending to comply with a balanced budget amendment. Opponents, for which we can read Liberals, said: "The sky is falling. The economy will be destroyed". Instead, 60,000 new private sector jobs were created by the private sector and tax revenues actually increased.

The same pattern is evident in state after state. Governor Bill Weld of Massachusetts cut spending by $1.7 billion in his first month in office. He also cut taxes five times and now has the lowest unemployment levels in the United States.

The same month that President Clinton signed the biggest tax increase in history for the American people, Governor John Ingler signed the biggest decrease in Michigan history, bringing the lowest unemployment rate to Michigan in 20 years.

New Zealand has also had similar results from its program of massive cuts to government spending at the same time that the tax system was revised and taxes were reduced.

The proof is there. Zero in three actually works. These examples show that the very best way to put more money into the hands of the poor, of families, of businesses and of everyone is to cut spending and taxes. Tax cuts and spending cuts make it easier for people to buy a home and to improve their standard of living. Things work better when people make their own spending decisions instead of having their spending decisions made by good, old Uncle Liberal government back here in Ottawa.

There is nothing moral, compassionate or virtuous about increasing taxes. I will say that again in case any members opposite were sleeping. There is nothing compassionate, virtuous or moral about increasing taxes. High taxes punish those people who are the most productive in our society. High taxes are a symptom of a government's failure, incompetence and inability to recognize the damage that those high taxes are doing to society.

Even some Liberals have come to realize something is wrong. They realize there is too much crime, too much family violence, too much poverty and too high a debt. Some are even starting to realize that the biggest single social program is the transfer of all that interest payment to the creditors of Canada's debt every year. That is one social program that is still growing.

The government has not realized yet that Liberal policies have caused these problems and these problems will not be solved by throwing even more government money, especially borrowed money, at those problems.

I heard another member talking about compassion earlier. Compassion is something one cannot buy. It is something that comes from within. One does not buy it by throwing dollars at a problem.

• (1655)

I would like to change tack a little and relate a little more about my experience in New Zealand over the Christmas break. I was in New Zealand visiting relatives and I had the opportunity to meet for an hour and a half with the Right Hon. David Lange, who was Prime Minister of New Zealand at the time of the debt crisis in 1984.

I would have laughed if anyone had told me a decade ago I would one day sit with a Labour minister of finance and actually enjoy speaking to him. I came away from the meeting with a great deal of respect for a man who has faced the debt monster, came to grips with it and realized that a free market economy is the best way to deliver healthy social programs.

Mr. Lange said: "We have passed through the age of left and right wing governments to a time where we have maintenance and reforming style governments". Those are the terms we should be using today. This new set of labels put into words a concept I have been struggling with for some time because I knew despite the accusations of the other side of the House, the Reform Party is not a crazy right wing party. We are not either right or left wing.

I will use an example. The members opposite can jeer. I use the example of the 1992 referendum on the Charlottetown accord when all three traditional parties; the NDP, the PCs and the Liberals lined up on the yes side and Reform on the no side. Does that make us left or right? Which one? Neither. It made the three traditional old line parties maintenance style parties. They did not want to change the status quo. We were the reformers, the ones that wanted to change the status quo, make the necessary changes.

Mr. Lange's Labour left wing government became a reforming style government when it had to face the debt monster. During the period following that debt crisis from 1984 to 1994 the National and Labour parties took turns in office, but they were all reforming governments. They continued the program of government spending cuts and tax decreases to generate the necessary stimulus to the economy.

Today New Zealand has a maintenance style of government, National by name, which has projected a $2.5 billion surplus for this year. Last year they had a $900 million surplus and put $800 million more into social programs because of it.

Mr. Lange predicts that New Zealand will have a maintenance style government for the next decade. Unemployment is down to 6.5 per cent and the economy is growing at an annual rate of 6 per cent.

I can see the puzzled looks on the faces of the Liberals. "Please tell me it is not so", they are saying. "Please do not say that the private sector actually creates jobs. Please do not tell us it is better if government is smaller and that it makes spending cuts". Mr. Lange told me that the Canadian Liberal Party is a maintenance style of government. It is just used to keeping things running when things are good and if Canada had to face its problems it needs a reforming style of government to do it.

Mr. Lange also told me in retrospect he wished he had moved faster on the cuts because it was so stimulating to the economy. A decade later, New Zealand has a diversified, free market economy competing in the global marketplace. Exports now include plastic bottles to Japan; wooden boxes to the U.S.A., mozzarella cheese and hamburger beef to Canada; furniture to Singapore; metal castings to Taiwan; aircraft parts to Boeing in Seattle. The free market economy will solve our problems. We should not be borrowing more money. We should be cutting spending.

The Acting Speaker (Mr. Kilger): It is my duty pursuant to Standing Order 38 to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Notre–Dame–de–Grâce, World Summit for Social Development; the hon. member for The Battlefords—Meadow Lake, The Budget; the hon. member for Kamouraska—Rivière–du–Loup, The Budget.

Mr. Jerry Pickard (Essex—Kent, Lib.): Mr. Speaker, I listened very carefully to the comments of my colleague. I have heard the same comment day after day from the Reform Party that the Liberals are really very unrealistic about what is happening.

• (1700)

Why did John Bulloch, president of the Canadian Federation of Business, state that our budget was very believable, very credible? Why did John Fund, who wrote a highly critical editorial about Canada's $540 billion debt, congratulate the government for being on the right course?

Could the member please inform me why the powerful Canadian Manufacturers' Association called our budget the first very serious attempt at balancing this country's books? Why is it that yesterday the chartered accountants association in this country congratulated the Liberals and said that we scored four out of five on their questions? We were at the top of the list in the way we responded to the debt and the deficit in this country.

The Canadian bond raters raised Canada's status. Each financial group, each authority on business in this country has come forward one after another. It is not the Liberals. They are not people who have been friends to the Liberals. They are representing very specific business and financial interests in this country. They applaud the steps taken by the minister.

Mr. White (North Vancouver): Mr. Speaker, I would like to congratulate the member opposite for pointing out once again that a successful budget receiving praise from many areas is not a Liberal budget. This confirms what I have been saying time after time this afternoon. People wanted a budget that was not a Liberal budget. They were very pleasantly surprised by the general direction, although not quite far enough. The international markets seem to be telling us that.

Everybody out there wanted a budget that was nothing like a Liberal budget. All the member has done is confirm yet again that people do not want Liberal policies. They do not want Liberal financial answers. They want real reforming budgets, reforming policies and a Reform government.

Mr. Ron MacDonald (Dartmouth, Lib.): Mr. Speaker, it is never good for me to get up to speak after I have listened to the nonsense and the rhetoric form the other side, particularly the Reform Party.

I have sat in the House for quite a few years. I have listened to a lot of rhetoric in the House. The hon. member's rhetoric is perhaps the most unbelievable I have ever heard. He gave his entire speech talking about experiences in Michigan and New Jersey and the wonderful things that are happening everywhere else but in Canada.

I want to let him know something because he obviously has been out of the country for quite a while. There has been a revolution happening in Canada. It has been a revolution the Liberal Party has created about putting government back where it belongs, serving the public, allowing the free market to proceed.

Guess what? The Canadian public has looked at what we have done. It has not just given us a thumbs up. It has given us a resounding vote of confidence. Today the Angus Reid poll indicated the path we have taken with the recent budget is supported by over 70 per cent of Canadians polled. This was despite the doom and gloom and the nonsense the Reform Party spouts like a loose water cannon daily in this place.

Those members came into this place not because the Canadian public wanted a Reform style of politics but, with the greatest of respect, they came into this place in many ridings because the Tories simply lost the ridings, not because anybody agreed with the policies they had.

I consider myself to be a left leaning Liberal. I happen to believe that the New Democratic Party has a voice that Canadians need to have heard in debate. I look across at the Bloc Quebecois and I have listened to the members opposite. Other than the fact they are horribly misguided with respect to their bent on sovereignty, most of these individuals opposite are Liberals by philosophy. One has to listen to them. They may want to take their province out of Canada but they have an underlying concern for the individuals, for the social policy, for the programs of this country.

I would not call the Reform Party left or right. That would put it on the continuum of common sense. It is right off the mark when it comes to being responsible and reflective of Canadians.

• (1705)

I want to talk a bit about the budget and this borrowing authority. I know the member is new here but even if there were

a balanced budget there is still the need for a borrowing authority of government. The taxes do not come in every single day. They come in mostly at one point in the year. The borrowing authority bill is a time that we can stand up in the House and talk a bit about the fiscal reality of Canada.

When we took over government we took over a government that had lost the confidence of investors not just in Canada but around the world. We took over a government and an institution that had lost the confidence of Canadians.

The Prime Minister said time and time again when he was on the campaign trail that if he did not do anything else as Prime Minister of this country he would put respect back into politics. What we say we will do, we will do. He put most of the main ideas in a thing called the red book. Much to the chagrin of the Reform Party and members opposite, almost daily there is another commitment in the red book fulfilled by the Prime Minister, the cabinet and the Liberals in this government.

That is probably one of the reasons that Canadians, international investors, people who buy Canada savings bonds, people from all over this country and beyond finally sat up and said it is amazing, they can finally have a government in power in Ottawa that says what it means and does what it says it will do.

Let us be realistic here. I have been here seven years. We used to watch and wait for the Tory finance minister to get up and it was like throwing darts with a blindfold on his deficit projections, whether they were going to hit. We wonder why the international community lost confidence in the Canadian dollar. We wonder why it lost confidence in the Canadian economy. It is because the previous ministers of finance who were on the right wing of the spectrum, the Reformers of late, could not add up.

Every time they came in with a projection the international money markets and consumer confidence went right down the toilet. We could hear the big flush every time one of those budgets came in.

Our finance minister put a budget last year and he has not only met the projections, and that is the first time in recent history that has been done, he exceeded the projections. When he walked in this time and put a budget forward and the Canadian public and the people who invest and buy our bonds in the international community and who invest in business in Canada said finally they have somebody in government who is credible. So did the Canadian public in the poll released today.

I want to talk about how we have not abandoned our principles as Liberals. I am a Liberal. During the lead up to this debate and this budget I harboured grave concerns about where we were going as the Liberal Party.

I am one of those individuals who believe in the principles of liberalism, of fairness and equity. I believe the people of this country have a collective right of ownership of the resource that is Canada. While one of the roles of government is to ensure that the free market system works and is attractive to people to come and invest, the Government of Canada has a fundamental responsibility to ensure that wealth is redistributed. That is absolute horror to the ears of the Reform Party. I believe that with every ounce of my being.

When this great debate started and we had this deficit that had to be brought under control I thought we were going to lose our principles. I thought as the Liberal Party we were going to find ourselves following a right wing Reform–Tory agenda. We did not.

I have discovered something. I discovered that we can stand up and defend the vehicles that deliver the programs until the cows come home but if the vehicles are broken they are not going to be able to deliver the programs. The programs are merely a manifestation of the principles. The principles of those programs, our social programs, our transfers to the provinces, our equalization program, EPFs and health care, unemployment insurance, all of those things and all of those programs that we provide as government are merely a way to deliver the Liberal principles of wealth, regeneration and redistribution, of going in and making sure that government has the ability to help those who are least able to help themselves.

I was more than pleased when I heard the budget announced the other night. I was worried there would be an adverse regional impact. I guess once bitten twice shy. To be quite honest, last year I felt that the budget disproportionately hit some of the regions like Atlantic Canada.

• (1710)

I was extremely vocal in my concerns and in my criticisms. Over the last 12 months we have grown as a government and we have learned to listen. We have had the most massive prebudget consultations in the history of this country. We listened, not just to people out on the hustings but also to people in this party and people in the House.

The Minister of Finance has crafted a document I did not think could be done. First, he has satisfied the international investor community that Canada is serious about its deficit and eventually dealing with the debt. Second, he said that we are still a country that believes in the greatness of the resource that is this nation and the rights of the individuals to have their government give them a hand up when necessary. Third, he recognized this country first and foremost is a regional country. The economies in this country because of our geography and our history are regional economies.

The finance minister came in with a budget that did not disproportionately hit any part of this country, that recognizes that the real future of this country is getting our debt and deficit under control while at the same time not throwing the baby out

with the bath water and wherever possible preserving those basic and fundamental principles of Liberalism.

I am not happy that as a result of the burgeoning deficit some of our public servants who have done a tremendous service for Canada have had to go. The President of the Treasury Board has listened. He has come in with a package which is fair and in most cases more than reasonable. We have said to the public servants of Canada that times have changed. Yes, government has to do more with less and our priorities must shift.

With those individuals who have helped to build this country and deliver the programs we are prepared to sit down and be as generous as we can with early retirement, early departure and transfers, if possible, to other programs. No, we are not perfect as a government and this budget is not perfect, but it is the closest thing to perfection in a budget that I have seen and that the Canadian public has seen in many years.

[*Translation*]

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, I would like to ask my friend, the hon. member for Dartmouth, a few questions. I had the opportunity to take a trip with him to Japan, during which we had long discussions. Despite that opportunity, I was still a little surprised to see that he was so proud and happy today, and so impressed with the Minister of Finance's budget.

I fail to see how anyone could be proud, for example, to say that most of the deficit reduction measures will be achieved by offloading the problem onto the provinces. Responsibility for a large part of the federal deficit will be squarely put on the province's shoulders. For example, the Minister of Finance says that Quebec will receive almost $7 billion less from the federal government, which will, of course, continue to tax Quebecers as much as ever.

How can he be proud to see that, in two years' time, Canada will have tacked on another $50 billion to its debt? How can he be proud of that? How can the hon. member for Dartmouth be proud to see that, in two years, Canada's accumulated debt will have climbed to $611 billion? How could we be proud of that? This does not make me in the least bit proud. Therefore, I would simply like the hon. member to answer my question.

Instead of making fiery speeches, he may be better advised to come down from the clouds and realize that, in two years, Canada will obviously have to collect more income tax and impose other taxes. The country will give much less to its citizens, since the interest payments on the debt alone will be at least $50 billion. How could we possibly be proud of that?

[*English*]

Mr. MacDonald: Mr. Speaker, I thank my hon. colleague for his questions. I have a great deal of respect for the work that he does in Parliament. We have had discussions. I think he should drop this bit about sovereignty because he knows that Canada is a great place and I know he feels that fundamentally.

My colleague has asked me two questions. On the one hand, he has raised a concern about debt downloading to the provinces, that there are cuts in the transfers. I have to say to him that I am concerned about the cuts to transfers. The province of Quebec is much more able to withstand those types of cuts in transfers than places like Newfoundland, Nova Scotia and New Brunswick.

In New Brunswick and Nova Scotia the provincial ministers of finance said the number one wish they had on their wish list going into this budget was not that they did not have their transfers cut, but that the federal government come up with a credible plan for getting its finances in order. If that was not done it would have a major negative impact on the stability of the dollar and interest rates. Every province in the country is individually financing a debt. Their number one priority was to have some credibility from the Minister of Finance.

• (1715)

On transfers to the provinces we cut them by 4.4 per cent. That seems like a lot of money. It is 3 per cent of the revenue of the provinces. However, we cut our own programs, the ones we take credit or blame for, by 7.3 per cent. We cut ourselves more than we cut other people.

With respect to the second question about the debt being too high, I agree with him 100 per cent. However, I do not agree with members of the Reform Party that it is a debt monster and that we should dance to their tune.

We have tried to recognize that the debt is too high but that in order to control the debt we must control the deficit first. We are not prepared to sacrifice that fundamental nature of Canada to satisfy those on the far right, the ones who are off the mat. We are not prepared to go in and sacrifice ourselves to the big debt demon, as the former member said, by slashing programs and dismantling those things that are fundamental to the nature of the country.

I would think the hon. member opposite in a quiet moment would reflect on what we have done. We have probably created another good argument as to why Quebecers would want to stay in Canada. At this point in time, for the first time I might add in a long time, Quebecers just like Nova Scotians have a government in Ottawa that says what it means and when it says something it does it.

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, does the member who just spoke have any sense of embarrassment whatsoever for saying that the red book was still their Bible?

I heard throughout the campaign and many times here that the immigration level would be 300,000 and it is 200,000; that the GST would be gone; that there would be a renegotiation of NAFTA; and there would be no cuts in social programs.

Unfortunately I am running out of time, but the list is so embarrassingly large that if I had made those comments I could not speak for blushing.

Mr. MacDonald: Mr. Speaker, I agree with the member that there are some embarrassing things going around today, the most embarrassing of which is the dismal performance of the Reform Party's response to the budget that has resulted in its popularity in the country going right down the you know what, Mr. Speaker. We can hear it flushing.

Hon. Audrey McLaughlin (Yukon, NDP): Mr. Speaker, I listened with interest to the debate and have come to one conclusion, that Liberals are the only Tories left in Canada.

[*Translation*]

This budget represents a profound change in Canada's basic structures and a total break with the principles that built this country. At issue here is much more than just a simple budget. This is about the kind of country we want to leave to our children. It is about the very essence of our national identity. The Liberal government has just set the parameters of policies that will take us into the 21st century, not as a strong and united Canada but as a fragmented Canada.

The Liberals maintain that we have no choice and that there is only one way to reduce the deficit. The New Democratic Party agrees that debts and deficits are unacceptable and that we cannot continue to live on credit, but we absolutely disagree that this is the way to do it. The Liberals are wrong. There is an alternative.

There are two ways to reduce the deficit: one way is to make decisions collectively, and the other way is to turn the regions, social groups and interest groups in this country into rivals, all competing for the same dollar.

[*English*]

The budget is not straight from the heart. The budget is straight through the heart of the future of the country that I believe the majority of Canadians thought they were going to get when they voted for the government.

• (1720)

The minister has said that this is a tough budget. However, it is much more than that. It fundamentally breaks the social consensus that has been built up over a number of years, often through vigorous debate, to build a country based on bilingualism, multiculturalism and a sense of community that by working together we will accomplish more for each individual.

Many parts of the budget will not be felt by Canadians for one or two years down the road. There is no question that the government has turned its back on much of the Liberal tradition. In a year or two Canadians will be asking what it means to be a Canadian. We should all be concerned about whether we will be citizens of a country or simply citizens of one region or another?

As I mentioned earlier, there is no disagreement about the need to address the debt and deficit. We do not see any serious attempt to deal with the inequities in the tax system. There is some work around the fringes, but there could be much more fundamental work done in the budget.

On the day after the budget individuals earning $100,000 with a nice subsidized box at the SkyDome and who eat in expensive restaurants were happy because their lives were not touched at all. However there was great cause for concern by senior citizens, single mothers and young people.

A country is more than a bond market or more than just how the economy functions, although that is obviously important. It is about how the economy functions for the people. I want to address very briefly in the time I have several ways in which I feel the budget has made us a lesser nation.

How ironic it is that just two weeks ago we celebrated the 30th anniversary of the Canadian flag. The question people might be asking two years from now is: What kind of Canada will that flag fly over?

Several aspects of the budget have fundamentally changed the social consensus I spoke of earlier. One is the issue of globalization. Globalization is not just economic. It is about Canada's role as an international citizen. It is about the common security between other countries and ours. In many ways the budget largely turns its back on the poor of the world.

A very important part of any country is freedom. I ask my friends on the other side whether they can truly say that the budget has given more freedom to Canadians. Certainly a mother living in poverty has no freedom. An elderly person who cannot get adequate health care has no freedom. A young person who cannot attend college, university or technical school has no freedom. The budget limits freedoms and the potential of citizenship for many groups. Also the budget limits the freedom of such fundamentals as collective bargaining by breaking collective bargaining with the public servants.

The budget does not mention poverty, job creation or youth. It is important to point out that unemployment is not free. It costs the country approximately $42 billion a year in direct payouts. If the government would have set a target to reduce unemployment by 1 per cent, $5.16 billion would have been added to the tax

revenue and social spending would have been reduced by $1.24 billion. There is another way.

Turning to other areas, the government has completely abandoned child care and universality. Independence for the elderly as a principle has also been abandoned, as the previous member spoke about.

Community and regional fairness is another hallmark of what it is to be a country. The flag is not just fabric. It is what we weave together. It is how we make sure that a Canadian standard of service will be available in Newfoundland, Yukon or central Canada. There is no question that as the government has proposed block funding this is gone.

• (1725)

Sustainability of the environment is a very important area. Cutbacks to the environment are quite severe in the budget. I think they should be of concern to every Canadian. If we look at countries internationally, for example east bloc countries that ignored the environment to build their economies, we see that they are paying a dreadful price.

Similarly part of the social consensus of Canada has been that we are a country that respects human rights, the dignity of individuals and gender equality. It takes much more than words to achieve that.

In the abandoning of national standards and in the abandoning of a national vision the Liberal government is abandoning us to a balkanized and regionalized country, which will not stand us in good stead in international markets, as we discussed earlier.

[*Translation*]

Aspects that until now were considered essential to our society are no longer important. Children will not enjoy what we considered to be fundamental principles: they will have no national medicare, they will have no national railway linking communities across the country. Healthy and vigorous rural communities will be a thing of the past. They will not know what it is like to have good public services and a government for all Canadians.

[*English*]

In summary, the budget has failed the country. It is beginning to dismantle much of what was done to make the country first in the assessment of the United Nations or one of the best places in the world to live.

Mr. John Bryden (Hamilton—Wentworth, Lib.): Mr. Speaker, I hope my colleague from Yukon will agree that the budget is doing something unusual by proposing cuts to special interest groups.

One such special interest group that may be subject to cuts is the Canadian Labour Congress, which we learned this past week is supporting the Quebec Federation of Labour in its campaign to support the separatist cause in Quebec. Some of the money the Quebec Federation of Labour is using is money that comes from the Canadian Labour Congress. It was about $500,000 and in turn came from Ottawa and the labour education program that pays the CLC $3 million a year.

In the past the CLC has spent $1.5 million on supporting the NDP's election campaign, the biggest donor of any political party in the country.

Does my colleague from Yukon feel that cutting special interest groups with a political agenda not in keeping with the majority of the Canadian public is a good thing or a bad thing?

Ms. McLaughlin: Mr. Speaker, the member opposite has been strongly speaking out against what he calls special interest groups. I am not clear whether the member has been equally as strong in including in special interest groups the Business Council on National Issues, the Canadian Chamber of Commerce and the Canadian Manufacturers Association. If he has, he will have done a service.

I object to his term special interest groups. It has now become a Reform Party slogan. Often it is used to marginalize people rather than to include them.

There is a place in a thriving democracy for different points of view to be presented vigorously. As a good Liberal I am sure he would agree that it is necessary to have a functioning democracy in which every part of society has the ability to participate in helping to shape public policy not just during an election but throughout.

The Acting Speaker (Mr. Kilger): It being 5.30 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*Translation*]

GRAIN EXPORT PROTECTION ACT

The House resumed from November 24, 1994, consideration of the motion that Bill C–262, an act to provide for the settlement of labour disputes affecting the export of grain by arbitration and to amend the Public Service Staff Relations Act in consequence thereof, be read a second time and referred to a committee.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I welcome this opportunity to take part in the debate on this bill to providing for the settlement of labour disputes affecting the export of grain by arbitration and amend the Public Service Staff Relations Act in consequence thereof.

First of all, I think it is important to ask ourselves if this bill is beneficial to Canada. Is it worthwhile? Will it improve labour relations in this industry which is vital to Western Canada's economy and that of Canada as a whole?

We, in the Bloc Quebecois, do not think so. We think that imposing arbitration will only make the conduct of collective bargaining more complicated in an industry that had bad experiences in the past. Let us bear in mind that this Parliament has already had to bring in special legislation to impose the terms of the final offer to settle labour disputes in this industry and there has been no significant change since. The climate has remained tense and continued to deteriorate for several years, precluding any compromise solution where both sides come to an agreement, which is the ultimate goal of the bargaining process.

This bill also contains ambiguous provisions. For example, clause 3 reads as follows:

> —no trade union of employees shall declare or authorize a strike, and no employer of such employees shall declare or cause a lockout, if the strike or lockout would cause cessation of work by any employee whose work is essential to any stage of the progress of grain from the premises of the producer of the grain to export.

This wording is rather vague. It could be open to interpretation as to who these employees are and whether or not their work is performed at any stage of the progress of grain from the premises to export. So, in our sense, such ambiguity is dangerous and could make labour relations more difficult instead of making them easier.

The second point I want to make concerns compulsory arbitration. A typical example people hear about every day is the situation in professional sports. Police forces in Quebec have used the procedure as well. It seems that repeated use of this procedure does not improve labour relations, which tend to deteriorate. There is also a tendency to avoid putting all one's cards on the table, which one should normally do when two parties negotiate, in order to reach an acceptable settlement.

Compulsory arbitration tends to make the parties reason along the following lines: I am not going to show my hand right away, because if I do, when we go to arbitration, the arbitrator will make even more concessions to the other party and I will be the loser in this process.

Compulsory arbitration does not seem to offer any advantages for either party and does not seem to be a satisfactory way to solve these problems.

From past experience, and I speak as a former director of personnel in an educational institution, I would say that prohibiting strikes offers no guarantee that people will not walk out just the same. In this field, for a law to be successfully enforced, justice must be done and must appear to have been done.

• (1735)

The mere fact of imposing arbitration and prohibiting strikes will not work if there is a major stumbling block for the workers or the employer. The employer insist on imposing a lockout or a virtual lockout, or the employees may decide to walk out just the same, which puts them in an illegal position. While in a normal bargaining process they would not have that problem and it would simply be a matter of letting the market decide. We must realize that sometimes good intentions do not achieve the expected results.

We must also find ways to avoid a decline in productivity. My point is, that by prohibiting legal strikes, we may encourage behaviour that is even more damaging and that without necessarily leading to a work stoppage, will be detrimental to production and create a conflict situation in the workplace, which is tantamount to giving the parties a kind of leverage that goes well beyond what is traditionally provided in the legislation.

The last back–to–work legislation passed by Parliament, in the case of the Port of Vancouver, is a good example. Wages were the only item that remained to be settled, but the parties could not agree. When the final offer was put on the table, both parties refused to budge. In this particular case, the employer's offer was accepted, but it could have been the other way around. There have been such cases in other sectors. If the union's offer were accepted because it was reasonable, theoretically speaking, it would not necessarily suit the employer and could interfere with efficient operations, so that the result could be damaging both to the company and the employer.

So these are also things we must consider, and we should realize that, with all our good intentions about settling disputes through arbitration, we may be creating situations that are far more complex. The bill before the House today is an example of the kind of well–intentioned approach that will fail to achieve what we ultimately want, which is better relations in the workplace.

Compulsory arbitration also takes away any interest the parties may have in negotiating, in finding compromises together. A period of negotiations between an employer and a union also includes periods of exploring solutions, which are not formal bargaining sessions but rather periods of exploring how solutions may be reached. Compulsory arbitration will stymie this exploration, because both parties will refrain from putting interesting solution proposals on the table, discussions will be formalized. In the end, people will be more dissatisfied than if they had been able to take the negotiations to their conclusion.

We therefore need to create a different climate in this industry, a climate in which labour relations will lead to much more interesting results. An example of this is what happens in Canada's major ports. Labour relations there have often been difficult. In the smaller ports, however, agreements are reached because the parties talk to each other and succeed in reaching interesting conclusions.

This House must therefore reject this bill, not because of its intent, but because of the terms proposed in it, which will not improve the situation and which, before long, will require us to reconsider this sort of situation. In conclusion, I will describe the situation with the police force in Quebec, as one example. Compulsory arbitration was commonplace; decisions were made. In the end, the solutions did not permit the employer to assume its obligations satisfactorily. The reverse could have been true as well, with union members finding themselves in an unacceptable situation.

• (1740)

The Bloc Quebecois is therefore opposed on the principle that the parties' right to negotiate must be respected. There is also a concern for pragmatism and for reaching solutions that lead to joint agreements. When the parties have a signed collective agreement, the parties must bear in mind, during the life of the agreement, that they agreed to the solution reached by both of them. When there is compulsory arbitration, however, one of the parties wins and the other loses. Labour relations between winners and losers is not the way to the future. Rather, we must make the parties face their responsibilities squarely and really oblige them to negotiate.

[*English*]

Mr. Stan Keyes (Hamilton West, Lib.): Mr. Speaker, on behalf of the constituents of Hamilton West, I have the privilege to speak to Bill C–262, the grain export protection act introduced by the member for Lethbridge.

This bill seeks to make it illegal for anyone, employee or employer, to cause any cessation of work at any stage of the progress of grain from the premises of the producer of the grain all the way to export. It should be obvious that this bill would affect a large number of Canadians, indeed everybody who comes near grain, from the farmer who grows the grain to those on the trains and ships which carry the grain.

At this time I want to focus on one particular aspect of this bill and what it brings to the labour relations atmosphere with the government's own employees. That is the provision in this bill which would amend the Public Service Staff Relations Act by adding new criteria limiting the right to strike.

This bill seeks to add to the Public Service Staff Relations Act in section 2 and section 78(1) words which would have the effect of prohibiting employees from engaging in any strike activity in areas related to the orderly progress of grain from the premises of the producer of the grain to export.

When the Public Service Staff Relations Act was introduced almost 30 years ago, the legislators included a unique concept to labour legislation. That was the notion of designating employees as essential and denying them the right to strike. That is to say that employees whose duties included functions which were performed in the interests of the safety and/or security of the Canadian public could not engage in a strike. If one was to search the Canada Labour Code or other labour codes, one would not find many examples of such a concept.

In my opinion this is a good, reasonable and justifiable concept. Employees of the federal government and numerous other federal institutions should not be in a position to withdraw services which would cause harm to the safety or security of Canadians. This provision has stood the test of time.

When public servants engage in a strike activity a number of their colleagues continue to work and provide essential services to the public. The last public service strike provided us with many examples of this particular provision.

Both air and marine search and rescue operations continued. Ice breaking continued. Mariners' charts and maps continued to be produced and updated. The all important function of providing notices to shipping carried on. As well, fisheries patrols were maintained and employees involved in this function continued to provide a service to the public.

Air operations continued and airport facilities were maintained. Weather observations continued. Forecasts were prepared and communicated to the users and of great comfort, notification bulletins affecting aviation safety continued to be produced and disseminated.

Naturally, prison guards and correctional services are deemed as essential services and continued to perform their tasks. All those employees, including those who provide care and security for inmates, medical care, food, heating and all those functions necessary to maintain the system continued to perform their duties.

Health care was maintained by designated employees in such areas as poison control, hazardous product identification, medical support at federal hospitals, ambulance drivers, and dental and chronic care in isolated areas. Also designated were some employees who were involved in research related to health care which used laboratory animals.

Essential to Canadians, income security programs such as UI, family allowance and the Canada pension plan continued. This included the processing of new claims as well as the issuance of benefits.

Employees involved in customs and immigration control remained on the job. Included among these essential jobs were employees responsible for the primary inspection of meat and fish products imported to this country.

• (1745)

Not surprisingly, the provisions of the Public Service Staff Relations Act also precluded those involved with national security from striking. Included among those were the civilian federal employees who provide support to RCMP operations.

Of interest to my colleagues in this place, parliamentary operations were designated as an essential service. *Hansard* continued to be printed, along with committee reports and other parliamentary publications. Simultaneous translation services also continued to be offered.

These are some examples of the services considered as essential for the safety and security of the public and for which the public service employees could not withdraw services. The central theme throughout this list is: These services are essential for the safety and security of the Canadian public.

It is evident that the current provisions of the Public Service Staff Relations Act have by and large served the Canadian public well. By tinkering with these provisions and including the notion of economic hardship in the grain industry, are we trying to fix what ain't broke?

It is an unfortunate but accepted reality that strikes will cause inconvenience and maybe even economic hardship to some. However, if we are to accept that employees have the right to strike to put pressure on the employer, then we must accept the results. If it is our view that strikes should not cause hardship to anyone, then it is my suggestion that all strikes be declared illegal.

This bill starts along that road. It is headed in a direction that can only bring grief to employer–employee relations in this country. I would not argue that the movement of grain is not important to Canadians. Obviously it is, but I do not believe the production or movement of grain is essential for the safety or security of the public.

The movement of grain is, like other commercial activities, an important economic activity in this country. If we were to introduce the idea that there can be no strikes or lockouts in the grain industry, which sector would be next? Would it be the auto industry? The shipping industry? How about forestry services? In a certain section of the country, ore production is extremely important. Should we consider banning work stoppages there too?

If we are able to use economic criteria, I am confident that every member of this House could cite an enterprise worthy of consideration for a bill such as this. I would like to remind members that in many jurisdictions police services are given the opportunity to withdraw from their jobs. Medical practitioners and teachers also have this ability.

As I mentioned, if we accept that employees have the right to strike and to exert pressure on their employer, then they must be permitted to do so. The introduction of a provision in the Public Service Staff Relations Act prohibiting strikes in any one specific area, be it grain handling or some other industry, begins to erode this right. Employees either have the right to strike or they do not. The provision restricting the right to strike in the federal public service to those performing services essential for the safety and security of the public is a restriction, but I think it can be reasonably argued.

In addition, this provision has been in place for almost 30 years and still allows the public service employees to withdraw services. As we saw during the last public service strike, employees still have the ability to exert considerable pressure on the employer.

Times, they are achanging. We have to roll with change. I do not feel the way to begin a positive and co–operative renewal of labour relations is by introducing legislation which begins to erode what labour considers a basic right. If we are going to give labour the right to withdraw services in order to exert pressure in collective bargaining, then we must allow this withdrawal of service to have some effect.

I am sure the member for Lethbridge did not intend anything sinister but was simply advancing a proposal that would protect the interests of the grain industry. While the reasons for desiring protection from strikes or lockouts are noble in themselves, we must look at how we propose to do this and the results such a proposal would bring.

While I agree with the member that the grain industry is an important aspect of this country, as many other industries are, I cannot accept the notion that Parliament legislates protection at the expense of the rights of other Canadian citizens. Despite what I believe are good intentions, the results would be inappropriate and I cannot support this bill.

• (1750)

Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.): Mr. Speaker, I am very pleased to rise today and support Bill C–262. In the course of my speech I will probably deal with some of the things mentioned by the member for Hamilton West.

Going back to the speech by the Bloc Quebecois member, it seemed by the way he spoke that he misunderstood the difference between basic arbitration and being legislated back to work, and having compulsory arbitration and the concept of final offer selection arbitration.

I am surprised the member for Hamilton West so eloquently spoke against this issue, because the Liberal Party imposed this on a strike last year in the Vancouver docks. I am speaking in favour of this type of settlement, but I first want to explain where the Liberal government made two mistakes in the way it did it.

First, the government waited until there was already significant hardship being imposed, not just on a few people and a few on the sidelines who were involved in the strike, but on the whole economic well–being of Canada. Something that started in the port of Vancouver spread across to farmers on the prairies. It almost shut down mills in the interior of British Columbia that were on the edge. It affected hundreds of thousands of people. It is something we have to examine and decide whether there is a better way. As I said, the first problem was that the government took so long to do something about it.

The second mistake is that the employer and employees in that strike situation negotiated. They then took their strike option and were still considerably far apart.

If we are to impose a change of rules, we should give the people an opportunity to readjust to the new rules. The game was changed in midstream. The parties were not given the time to go back to the table to try and resolve it, to see if they could work together more closely.

That is what final offer selection arbitration is inclined to do. It is not a matter of picking and choosing a piece of this or a piece of that when arbitrating a settlement. The way this works is that the final offer is laid on the table by both sides and the arbitrator then picks either one side or the other. In labour negotiations this tends to move the two sides very close together. This is because if one makes an outlandish proposal and the other is being reasonable, the reasonable side's offer will be accepted virtually every time.

I suggest we look at this in terms of protecting the grain industry in Canada. As the member for Hamilton West said, by all means we should start looking at it in a broader sense.

For example, consider that a house is burning down. A fireman stands by on the sidewalk watching the house burn, perhaps while a young child is inside. He does so because the fire department is on strike. All of us accept that as being absolutely unthinkable. So does the fire department and it accepts this kind of responsibility.

Can we accept the concept of a police officer standing by watching someone get mugged or raped because the police department was on strike? We cannot accept this either.

However let us go to the other end of the scale to a small business with little impact on the community and no impact on the national economy. In that situation we say it is okay for it to be a battle of wills and an economic situation for the two forces at work there. We will let the employer or the employee, depending on who comes out the victor, use their position of relative unimportance to negotiate a higher wage or to force the employee to take a lower wage.

The difference between the two is the degree of importance. We are saying that if you are important, we will not let you have the same rights as people who are unimportant. Not only for the sake of the grain industry, I suggest it is time we actually started to look at the whole concept of how we settle labour negotiations in this country.

Unlike what the Bloc member said, this is not an unfair type of action that will cause the relationships between employers and employees to deteriorate. If anything, it may turn it the other way and cause them to negotiate in much better faith and try to resolve the differences between them.

• (1755)

Employees will not be asking for a 100 per cent raise and the employer saying he wants them to take a 50 per cent cut. They are going to try to move to the most reasonable position possible, so that if it comes down to this final offer selection arbitration they are going to have a fairly reasonable offer on the table in the hopes it will be selected. If they are unreasonable, they are likely going to lose. That is the whole concept of this.

The member for Hamilton West talked about how the Public Service Staff Relations Act works. Let me give an example of how it works.

The air traffic control system in this country is not designated as an essential service. The air traffic control system has the right to go on strike, but if it does, it shuts down the entire air industry in Canada.

The government instead said it had the right to go on strike, but in the event of a strike the government has the right to designate a number of employees to maintain the essential service within the air traffic control system. The controllers said they certainly wanted to maintain the safety of this country, hospital flights, food flights to the north, emergencies and these types of things. They would deal with these, and so they said they had no problem with this concept of designating employees.

Then the government turned around and designated every single employee in the air traffic control system and said that the essential duties were everything that they did. It went to court and the court upheld it. A wonderful system. Now the air traffic controllers can go on strike, which means their contract is no longer valid. The government can pay them anything they want to and they still have to report for duty.

We have to find another system. Without getting into the budget argument right now, we are in a very fragile situation

economically speaking and we cannot shut the industry of this country down. In the event of strikes, who loses?

The public loses. They are the number one loser. The second loser is usually labour. No matter what kind of settlement they get, if they are off work for any period of time they are likely not going to make that wage back up. The problem is they have to have some kind of hammer to use as a threat if everything else fails. The majority of the negotiations end up with settlement, but when they do not they always have to have that hammer.

We have to invent a new type of hammer, one that is fair for labour and one that is fair for management. We need some system that says you must move your negotiations very close together or chances are you are going to be the loser in this negotiation.

This is a step in the right direction, examining it in the case of the grain. We do not want to come at this all at once as a total revolutionary system for this country. This is a good place to start. This is a good place to work some of the bugs out of the system.

We do have to look for alternatives. Strikes are something that went on in the 1800s. Surely we have to evolve from something that maybe worked last century. We are about to go into the next one. Maybe we need to find new solutions for this country. This is a system that can work, that the unions will look at and I believe they will accept. The primary objector is going to be one or two people at the very top. I believe the worker in Canada will benefit rather than lose from this type of legislation.

Ms. Judy Bethel (Edmonton East, Lib.): Mr. Speaker, I am pleased to have this opportunity to participate in the debate on second reading of the bill proposed by the hon. member for Lethbridge.

The proposed legislation, Bill C–262, would seek to ban work stoppages involving the movement of grain from producer to export and to provide for arbitrated settlement in those cases where parties involved in the grain handling and transportation industry were unable to resolve contract differences.

On the surface one cannot argue against the general object of the bill, that is, to keep Canadian export grain flowing smoothly to overseas markets and not to be stalled or halted by labour dispute. Unfortunately, while my honourable colleague and I share a particular desire to see Canada's reputation as a reliable exporter of grain maintained, we are obviously in disagreement as to how that end is achieved.

The banning of legal strikes and/or lockouts and the imposition of arbitrated settlements are measures which only serve to exasperate labour management relations. It will do little to bring long term solutions to problems which we are attempting to address.

• (1800)

I would like to share with hon. members a unique initiative currently under way in the western grain storage and handling industry, one which exemplifies the type of positive and forward thinking which labour and management are capable of applying to human resource issues in the industry.

Following three significant work stoppages in the grain handling and transportation sector, in the fall of 1991 a dialogue was initiated with industry representatives to review the need for improvement in labour–management relations and to consider ways of minimizing disruptions to the movement of grain to export markets. Discussions with the parties led to the conclusion that there was little in the way of support for essential service legislation governing dispute resolution in the grain handling industry. Any system of partial designation would be cumbersome to administer and likely to lead to interminable disputes. A complete prohibition on work stoppages would involve third party determination of contract impasses and effectively remove control of the process from both sides of the industry.

There were two key problems which were identified during discussions with the parties involved in the grain handling industry. First, there was the expectation that government would intervene rapidly to terminate any work stoppages, thus enabling one or both parties to avoid its responsibilities for settlement. Second, there existed a problem of inadequate communications between the parties at appropriate times and levels during the period between bargaining rounds on the longer term issues which, if left unaddressed, might rebound negatively at the bargaining table.

Hon. members will be encouraged to hear that both labour and management expressed agreement on the utility of exploring ways to improve their dialogue and to ensure the future competitiveness of the industry in their own mutual interest, as well as in the interest of the Canadian farmers and the Canadian economy.

At a subsequent labour–management conference for officials of the western grain elevator industry agreement was reached on pursuing the possible establishment of a sectoral council on the industry. A working group with equal representation from labour and management chaired by a neutral government official was established to discuss the possible format in terms of reference for a human resources study which could eventually lead to the establishment of such a sectoral body.

The working group held a series of meetings over the course of the next year which culminated in the submission of an application to the sector studies directorate of the former Employment and Immigration Canada for assistance in carrying out a human resource issue study of the industry. Approval for the study was received and the firm of Deloitte & Touche was chosen by the working group to carry out the industry study.

Following an initial meeting between the consulting firm and a larger steering committee, representing not only management and labour interests but various agencies concerned with grain handling and transportation, the study was initiated. The process consisted of several phases ranging from employee questionnaires and focus groups through to the establishment of surveys and interviews with senior human resource personnel. The study focused on the educational and skill requirements of the industry and the training and reskilling available to meet such needs. It also looked at various methods of dealing with workforce adjustment within the industry and drew on the industry knowledge of the respondents to assist in predicting industry trends of the future.

During the course of the consultants' work there were regular meetings with the steering committee to ensure that the study was following the direction intended and that the methodology agreed to was being followed. The study has been finalized and will now be turned over to the original working group for consideration and action, including the possible establishment of a sectoral council for the grain storage and handling industry.

This initiative, involving both labour and management in the grain handling industry, is but one example of the co–operative approach which is being pursued by industry participants to meet the challenges they are facing. The fact that the two sides have met and constructively reviewed major human resource issues speaks volumes. Hon. members on both sides of the House should welcome this display of co–operation which we naturally hope will translate into improved labour relations within the industry.

• (1805)

Both the Ministers of Human Resources Development and Agriculture and Agri–Food should be commended for ensuring that labour has had an opportunity to play a significant role in respect of department initiatives. The Minister of Agriculture and Agri–Food has ensured that the representatives of unions involved in the grain handling and transportation system are active participants in this May 16 group which meets regularly to ensure that Canada's export grain commitments are being met and that the system is functioning well.

The Minister of Human Resources Development, in addition to the support shown for the possibility of a sectoral initiative in the western grain elevator industry, has encouraged ongoing consultation with labour unions and employers in the federal jurisdiction concerning possible amendments to the Canada Labour Code.

Earlier this year when a work stoppage involving longshoremen at the west coast ports threatened this country's reputation as a reliable exporter of grain and other commodities, the Minister of Human Resources Development introduced legislation to bring about an end to the disruption and provide for a final settlement of issues separating the two sides. While not a popular measure, the bill introduced by the minister demonstrated the government's commitment to ensuring the well–being of western Canada's agricultural economy.

In conclusion, I would simply suggest that the measures contained in the bill before us are inappropriate and do not reflect current reality in the grain handling industry. Removing the collective bargaining rights of workers and replacing them with imposed arbitration will do nothing to further the positive thrust of the initiatives mentioned earlier.

This government is a strong supporter of free collective bargaining but recognizes that there are occasions when lengthy work stoppage in the grain handling industry could pose significant economic losses for the agricultural economy, as was the case in the recent longshoring dispute. In such cases the government is prepared to intervene in disputes and ensure the resumption of operations and the settlement of the dispute. This type of commitment should preclude the need for the measures proposed in Bill C–262.

I would therefore urge all hon. members not to support the proposed legislation.

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I am pleased to say that I do support the private member's bill C–262 because I think there has come a time for real action in the labour management disputes that we have seen in the handling of grain for export markets.

To think that since 1966 the government has had to legislate these workers back to work tells us that the current system is not working. As much as the previous speaker would tell us that they do not want to deny anybody the right to collective bargaining, the point is that we want to enforce and give some motivation for management and labour to arrive at a negotiated settlement within the collective bargaining process. This whole bill is designed to give that a whole push forward. It is to say that if one does not bargain within the collective bargaining system then one may not enjoy the rules imposed by the arbitration process.

What we are talking about here is a simple dispute settlement mechanism. Right now when the two sides cannot agree they appoint an arbitrator. He then sits down, looks at the one side, looks at the other side, sees what is being offered and makes some kind of reasonable determination somewhere between these two sides. It fosters a desire by one side or both to make exorbitant demands or to deny reasonable demands. The arbitrator then has to choose and make a settlement.

If they cannot come to some conclusion within the negotiation process that is free and open, if they agree not to agree, then this bill will require that each put forth their final proposal. Whatever that is they will put forth a final proposal, free, open, entirely their own.

• (1810)

The arbitrator will pick one or the other with the intention that he would pick the one that is most reasonable. It is an incentive to both sides to be very reasonable in their final offer. The arbitrator will pick the one that is most reasonable. Therefore the desire to be as close as possible to reasonableness only makes simple common sense.

That is why when I hear the speeches from the other side, from the government side, the side that runs this country, saying this bill is going to deny free and open collective bargaining I am wondering if those members have even read the bill or even thought about the bill, to see that this is some direction to the arbitration process once everything has broken down and that these decisions do not fall within the parameters of the arbitrator but that he has a choice of one or the other, whichever is most reasonable. That is the incentive that this bill is going to provide.

I will split my time with the member for Wetaskiwin. I am going to stop at this time and allow him to share his views as well.

Mr. Dale Johnston (Wetaskiwin, Ref.): Mr. Speaker, I will pick up where my colleague left off.

Witness the labour dispute at the port of Vancouver in January and February, 1994. For 11 days the grain shipping process was paralysed. Some estimates place the loss to Canada's grain industry at hundreds of millions of dollars.

It is absolutely ludicrous that such losses were allowed to occur. These losses came about as a result of a failed collective bargaining process.

We cannot allow one sector of the grain shipping process to harm everyone else in the chain. When there are disruptions in the grain marketing system individual farmers are not the only ones to suffer. Workers everywhere else along the shipping chain are affected. It has a domino effect on the whole industry.

When a strike occurs grain starts to back up in the system. The system becomes, if you will, constipated. The grain stops its otherwise perpetual flow from farm to market. This is detrimental to numerous people. Whether at the grain elevator or somewhere along the railway many people are forced to endure pain because of the actions of a few. This is not acceptable.

With many unions that are involved in the grain transportation process we are left with the never ending threat of strike action. All too often strikes do occur. When they occur they disrupt the economy.

More than just accepting the measures suggested in Bill C–262, we might also look at further legislation that would require all union contracts affecting grain handling transportation to come due at the same time. This would simplify things and perhaps put an end to the rotating type of strikes.

No one benefits from a strike. Unionized workers suffer losses of income while on strike. While they may win an increase in their pay, all too often the net result is a loss of income. Employers lose in a strike. They lose money, they lose contracts and they pay demurrage on waiting ships. Besides that, no work gets done.

In the case of grain transportation strikes there are an incredible number of people who are directly harmed: railway and all its workers, dock workers, shipping companies and their employees, and of course farmers are harmed.

This represents only the direct impact of a strike action. Countless others are harmed indirectly as well. The ultimate casualty is the whole Canadian economy. Exports represent a huge sector of our economy. Canada's balance of trade continues to tilt in our favour. We must ensure that we retain this favourable balance.

As borders become more and more meaningless Canada must be prepared to take on the entire world. That means we must achieve competitiveness to attain a dominant position in the global economy. When Canadians are unable to access the world market we all suffer. The thrust of the bill is final offer selection arbitration. I believe these measures will be fair to all sides.

Legislation such as Bill C–262 provides a reasonable answer to endless strikes in the grain transportation sector of the economy. Further it represents a reputable solution when considering legislation that could apply to other areas in the labour market.

• (1815)

Historically strikes affecting grain movement take place when markets are good and when prices are up. The use of binding arbitration to settle labour disputes is a good way to avoid unnecessary and crippling strikes. This would go a long way to foster good relations and co–operation between labour and management. With management and labour working hand in hand, our reputation as a reliable supplier of grains and oilseeds would improve with the possible result of increased demand, increased price and perhaps an increase in employment.

Since 1966, as my colleague has already alluded to, we have gone through this process 13 times when the federal government has had to intervene and introduce back to work legislation to keep the grain flowing to market. We need to ensure that never again are such measures necessary.

The bill provides for a dispute settlement process that I believe will be fair to all parties. This bill could not be of more immediate importance or more timely. The looming threat of a

strike on the national railways again threatens the process of grain handling.

Above all, grain must be able to continue its orderly flow to market. The principle of keeping the economy flowing should be our number one priority. We need legislation like Bill C–262 to ensure that the economy does not face unnecessary crippling work stoppages. Disruptions in the market hurt everyone.

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, for several decades industrial relations in industries under federal jurisdiction in the private sector have been governed by the Canada Labour Code, Part I.

Part I of the Canada Labour Code is a model of how industrial relations should be governed in a democratic country. It has been functioning well and has been an important element at the basis of the political and economic structure during many decades of economic prosperity.

I draw attention to the fact that the grain transportation system has been functioning very well of late. Last winter was one of the most disruptive winters imaginable. It was a winter which reduced the flow of grain from farms to the country elevators. It slowed railway operations. Limits on the availability of grain hopper cars was also a constraint. Still the grain transportation and handling system recovered from a low level of grain exports early in crop year 1993–94 and recorded a 4.7 per cent gain over the previous crop year.

Today the grain handling and transportation system is moving ahead at an impressive pace with new records being set for grain shipments. The Regina *Leader Post* reported early in November on the fact that Canada's grain ports are moving at a pace well above average.

Vancouver and Prince Rupert in October set a new record for the west coast which was 27 per cent that the average for October over the previous five years. Thunder Bay reached a pace not seen since 1991–92. Its handlings for October of this year were 35 per cent above the previous five–year average. This is encouraging news which should impress on us the resilience of the grain handling and transportation system and its ability to cope effectively with adverse conditions.

When the legislation that established the code was adopted by Parliament in 1972, it replaced the industrial relations and disputes investigation act of 1948. It recognized there has been a long tradition in Canada of labour legislation and policies that are designed to promote the common well–being through the encouragement of free collective bargaining and the constructive settlement of disputes.

When it passed the legislation that established the Canada Labour Code in 1972, Parliament indicated that it supported "labour and management in their efforts to develop good industrial relations and constructive collective bargaining practices" and "it deemed the development of good industrial relations to be in the best interests of Canada in ensuring a just share of the fruits of progress to all".

• (1820)

These principles were so fundamental to industrial relations that they were specifically mentioned in the preamble to the code. The bill before us proposes to make a very radical departure from these principles. It proposes to significantly alter industrial relation practices in the federal private sector.

Bill C–262 zeros in on the dispute settlement mechanism as it would apply to industries involved in grain handling and transportation. It would remove the right to strike or lockout and replace the present dispute settlement mechanism with a final offer selection of compulsory arbitration.

This might be an appropriate point to take a closer look at arbitration and see what the ins and outs of the process might be. Typically a hearing is conducted and is presided over by a third party neutral. The parties present their positions in an established, formal procedure. The neutral listens to the positions of the parties, weighs the evidence carefully and drafts a decision that he or she feels to be fair to both parties involved. In an arbitration proceeding the decision of the arbitrator is final and binding on both parties.

There is a certain advantage to arbitration in that it brings a sense of finality to the bargaining process. The parties may not be happy about the results that will be imposed on them but it does provide for a solution.

Some very clear weaknesses to the arbitration process should not be overlooked. First, it is not inconceivable that one party or the other could reject an arbitrator's award. It might possibly resort to strike or lockout action to vent frustration or to express rejection of the result of the process. For that matter, it is very possible that both parties may be dissatisfied with the arbitrator's ruling and not have recourse to any other dispute settlement process. The arbitration process is not perfect.

While evidence supports the perception that the use of arbitration can reduce the number of strikes, it is not likely that strikes or lockouts can be eliminated entirely.

A further disadvantage of arbitration that we are likely familiar with because it has been repeated over the years, is the fact that in adopting or having arbitration imposed on them, the parties have to give up their authority to make decisions concerning the issues in dispute.

Union leaders give up their right to seek the support of their membership on key issues and management gives up its ability to control costs as it sees fit in the course of company operations. This leads me to believe that management and labour in

the grain industry are likely to have serious reservations about their support for a bill such as the one we have before us.

A further consideration that I feel is very significant to the whole collective bargaining process is the fact that compulsory arbitration is very likely to undermine the collective bargaining process between a particular company and a union. If arbitration of final settlements is imposed on the parties, fewer and fewer items will tend to be resolved by the parties themselves before going to arbitration. The tendency is for the number of outstanding issues to build up before reaching the arbitration stage with each successive round of bargaining.

Evidence suggests that labour and management tend to use the same approach to dispute settlement with each round of bargaining. This means that the parties may tend to become addicted to arbitration and this can undermine an otherwise health collective bargaining relationship.

Another area in which arbitration takes some criticism is on the size of monetary awards. The charge is sometimes heard that wage settlements are higher in arbitrated settlements than in negotiated settlements. The evidence on this point apparently is inconclusive but I would suggest it is a point on which management in the grain handling and transportation industry is likely to object to Bill C–262.

I do not want to leave the impression that there is not a role for arbitration in our system of collective agreement dispute settlement mechanisms. The Canada Labour Code, Part I, already contains provision for the peaceful settlement of disputes during the term of collective agreements by arbitration or some other mechanism. Our system of compulsory collective agreement settlements during the term of agreements through arbitration or some other peaceful means contributes to a high degree of stability in our industrial relation system.

• (1825)

I would like to draw the attention of the House to section 7(1) of Bill C–262. It reads:

> An arbitrator appointed under section 6 shall forthwith require the union and the employer to provide to the arbitrator, in writing, within fifteen days
>
> (a) a list of the matters agreed upon, and a proposal in contractual language to give effect to them; and
>
> (b) a list of the matters remaining in dispute and a final offer in contractual language in respect of the settlement of all of them.

It appears to me that there is very little, if any, room in this process for the parties to negotiate a settlement even if they wanted to. Neither does there appear to be room for the arbitrator to assist the parties to come to a negotiated settlement. In fact, there does not appear to be any room for negotiation at all, aside from the arbitrator being provided by the parties with a list of matters they agree on and a list of matters they do not agree on.

If we continue on with section 7(2), it indicates that the arbitrator has 60 days within which to determine the matters on which the trade union and the employer are in agreement, determine the matters remaining in dispute and then, according to the wording in section 7(2)(c), "decide the matters in dispute by selecting either the final offer submitted by the trade union or the final offer selected by the employer". Again there does not appear to be any room for negotiations between the parties when they appear before the arbitrator. If there is, why is it not provided for in the process?

I have to ask why the process would be structured in this way. Presumably the bill would ensure that any disruption to the flow of grain would be brought to an end by invoking the legislation if the bill were passed. That being the case, I fail to see why allowance could not be made for the parties to negotiate under the guidance of an arbitrator, acting more like a mediator early in the process, and yet retain the authority to render an award on unsettled issues. All the advantages of negotiated settlements on particular issues could be retained in the interests of the parties collective bargaining relationship. At the same time we would have the certainty of a final solution being worked out through arbitration.

We should take a further look at the form of arbitration that is proposed by the bill. Earlier we heard about some of the advantages and disadvantages of arbitration in general. Other considerations should be mentioned specifically in connection with final offer selection and this might be a good time to do so.

It seems that final offer selection was developed to deal with some of the criticism that traditional arbitration acquired over the years. For example, in conventional arbitration in which the arbitrator is free to determine the content of an award, arbitrators sometimes get accused of splitting the difference in the parties' positions. Conventional arbitration encourages the parties to stay as far apart as possible during negotiations, especially on wages and other monetary items.

It has been argued that final offer selection, in contrast, is supposed to provide encouragement to the parties to move closer together in the course of bargaining. Under final offer selection there is said to be an incentive for either party to know as much as possible about the other's bargaining goals and their real bargaining position.

It should be noted that there are several variations on the form of final offer selection that we find being practised. For example, there is a form of final offer selection in which the total package of items forms the position of either party. The arbitrator takes the package of either labour or management, in total, and cannot mix and match as he or she might consider advisable in the interests of the parties. This form of final offer selection on a package of issues may be more easily applied to a few monetary items at any one time but it is less well suited when an arbitrator has to deal with the package that includes matters of principles to either side.

• (1830)

For this and many more reasons I have no hesitation in recommending that the bill not be passed by the House.

The Acting Speaker (Mr. Kilger): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93, the order is dropped to the bottom of the order of precedence on the Order Paper.

ADJOURNMENT PROCEEDINGS

[*English*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

WORLD SUMMIT FOR SOCIAL DEVELOPMENT

Hon. Warren Allmand (Notre–Dame–de–Grâce, Lib.): Mr. Speaker, on February 21 I asked the Minister of Foreign Affairs if Canada would support the 20:20 vision proposal and action plan to be considered at the World Summit for Social Development which will take place in Copenhagen later this month.

The goal of the summit is to attack global instability due to third world poverty and social injustice. The challenge is enormous. At this time 1.3 billion people in the world live in debilitating poverty; 550 million people end each day hungry; 1.5 billion people lack safe water and sanitation; and 800 million living in developing countries and 335 million in industrial countries are unemployed or underemployed.

As I said at that time these conditions threaten world stability and peace. It is in the interest of all countries to take action against them. The 20:20 vision proposal and action plan must be supported by Canada and all countries at the summit.

Will the minister or the parliamentary secretary state clearly that Canada will support these proposals and that the overall goals of the summit will be supported as well? I would also like to know that Canada would give the work of this summit and its goals the highest priority.

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri–food, Lib.): Mr. Speaker, it is a pleasure to respond to the hon. member's comments and expansion on the question directed to the minister some days ago.

The World Summit for Social Development is to take place next week in Copenhagen. It will be the first major international event to propose a vision for social development that has taken place in the 21st century.

Over a period of 18 months the federal government has been working with provincial and territorial governments, labour, business, aboriginal organizations and non–governmental organizations to prepare the Canadian participation and make the summit a success.

Many Canadian objectives are incorporated in the summit documents. I would like to list some that Canada will be supporting: reduction of poverty through job creation; economic security for people through productive employment; respect for human rights and fundamental freedoms; respecting women's equality; respecting and valuing cultural diversity; and spending less worldwide on military hardware and more on investing in people, in other words to be less concerned about the security of the state and more concerned about the economic and social security of individuals.

In this context the 20:20 formula the member referred to will be discussed in Copenhagen. It is certainly of interest to Canada. Donors would allocate 20 per cent of their official development budget to meeting the basic needs of other countries. Recipient countries would allocate 20 per cent of their national budget to programs aimed at meeting the human needs of people. However in Canada we plan to allocate 25 per cent of the CIDA budget to meeting basic human needs.

In an increasing global environment international security and stability have an important impact on Canadian people and Canadian prosperity. Actively promoting social justice, poverty alleviation, good government and human rights at home and abroad is an investment in Canada as well as assistance to those in greater need.

• (1835)

THE BUDGET

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, yesterday in the House of Commons I expressed my concern and outrage over the pending loss of the Crow benefit.

As far as a great number of Saskatchewan farmers and I see it, the federal government's abandonment of its responsibilities under the terms of the Western Grain Transportation Act is the single most damaging element of this week's federal budget.

In fact the headlines in Saskatchewan newspapers this week bear this out. The Regina *Leader–Post* states it best with its single word headline "Devastated", followed by the subheading "Budget leaves farm leaders reeling".

In today's newspaper the premier of Saskatchewan, Mr. Romanow, is quoted as saying:

> If this goes through in the next four or five years we will see the most massive restructuring of rural Saskatchewan with respect to trading patterns, towns, villages, cities—since 1905.

We all remember it was the Liberal Party that originally began the process of getting rid of the Crow rate. The names Otto Lang and Jean–Luc Pepin still bring out emotions full of hard feelings on the prairies.

Although the Liberals failed originally to destroy the Crow, they did succeed in weakening it enough so that today just one decade later they could finish it off. This is absolutely horrible.

The loss of the Crow benefit is bad enough by itself, but the government has compounded our prairie anger in two other ways. First, it has abandoned the farm economy without any plan or structure in place to help the economy recover. Second, it has offered a one–time payout which is not only inadequate but is inappropriately targeted only to land owners.

I have already argued elsewhere that loss of the Crow benefit without a long term plan to replace it could lead to the erosion of land values, a loss of farmers and farms, a reduction in the rural tax base and therefore a reduction in the support for the maintenance of the rural infrastructure, and with this a further loss of quality of life in rural Saskatchewan.

The Crow benefit just two years ago was providing a net annual benefit to the province of Saskatchewan of $400 million. It will take a pretty hefty investment in diversification and value added production to replace that $400 million just to remain economically stationary.

The Liberals have made no provision for that investment. Our problem on the prairies has never been the Crow rate. It has been a lack of investment capital. The will has always been there for value added production but the money to make it happen has been absent.

The fight to save the Canadian Wheat Board has not been considered in all of this and if the supply of wheat is threatened then so too is the future of the board. Can we consider this in our long term equation?

I want to know if the federal Liberals have taken any time at all to properly think out the long term implications of this decision. If they have, I want to see their documented evidence and reasoned conclusions. If they have not, shame on them.

At the same time I want to note that the Liberals are preparing to pay out $1.6 billion in compensation, even though they know that $7 billion to $9 billion is required if there is to be any fairness in the system at all.

Not only has the government failed to meet this fairness test, but it has also said that the money will be paid only to land owners. Does the government not realize that about one–third of the seeded acreage is currently under lease to banks or other financial institutions including the Farm Credit Corporation?

The people who have been paying and will continue to pay the freight costs of grain sold for export and are leasing their land from a government owned corporation will not see a single cent of this payout, no matter how important it is.

The Liberals have demonstrated a complete lack of understanding of the prairie farm economy. With this single move in the budget I hope they are prepared to reconsider now what they have done before it is implemented and before the ultimate damage is done.

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri–food, Lib.): Mr. Speaker, it is a pleasure to respond to the hon. member's comments. I only regret that it is two minutes and not twenty, because I think I could help him understand. I am sure in the end he would understand and appreciate the action we have taken.

The hon. member is suggesting that the elimination of the Crow will have a damaging effect on the prairie economy. In fact, this government is certainly committed to restoring the economy in western Canada to its full potential. The document that has been put forth for discussion purposes, and I stress that, would see approximately half or about $800 million of the $1.6 billion ex gratia capital payment going to Saskatchewan.

• (1840)

The share will be representative of Saskatchewan's share of prairie grain movement. Farmers will also benefit from the capital gains tax advantage.

The government's assistance however is not limited to that. There will also be a share in the $300 million adjustment fund. That will be available for some areas in Saskatchewan as well.

These initiatives are only part of this government's plan to restore the prairie economy and help make this region an integral economic force in an increasingly competitive global marketplace. Changes with respect to freight rates have the potential to encourage diversification and value added production throughout the west.

I might interject here. I just got off the phone with a friend in a riding next to mine whose company is in the livestock industry. It had three orders from pork producers in western Canada today to increase and make some changes in those operations because of what this is going to do. It is indeed going to follow up on diversification.

Only days after the announcement, and the above is a good example, that potential is being recognized. Industry groups are already talking about moving into other crops and diversifying their operations.

It is not only farmers who are adjusting. Transportation industries ranging from trucking companies to seaports are closely examining the services they offer in order to increase

their efficiencies. Some are already offering suggestions for alternate commodities based on the transportation costs of these products.

These activities, coupled with the government's assistance to help farmers adjust to the short term impact of the loss of the WGTA will inevitably lead to long term economic growth in the prairies.

I ask the hon. member not to underestimate the skills and resources of all those involved in the prairie economy. These factors along with the financial assistance being provided will ensure a rapid adjustment to changes in the WGTA and the long term economic benefits for the prairies and for all Canadians.

[*Translation*]

THE BUDGET

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, yesterday, March 1, I received an unsatisfactory response from the Minister of Human Resources Development.

I asked him whether the human resources investment fund infringed on the powers of the provinces and perpetuated the inefficient management of the labour force.

The minister's answer was very vague. He told me that my question had nothing to do with the fund's goal.

Since then, I acquired a copy of an information sheet for the staff of the human resources department which gave examples of some activities that could become part of the human resources investment fund. I will list them: putting more emphasis on employment development services, literacy and basic skills training, training and on-the-job training, assistance for child care and the earned-income supplement.

If the human resources investment fund will be covering these kinds of activities, how can the minister say that the fund will not infringe on the provinces' jurisdiction over manpower?

When it comes down to it, we can say that the minister made the same error during the debate on Axworthy's social program reform: the situation was properly diagnosed, they realized that the current system did not work, but they prescribed the wrong treatment.

Once again, they have decided that Ottawa must manage the fund, even though it is well known that the provinces manage areas directly related to manpower training much more efficiently.

Another possible activity is implementing a national strategy based on the job market. How can the minister suggest such an option when we all well know that, for years now, there have been 1.5 million jobs available in Canada for approximately 500,000 unemployed people, and that the breakdown in the equation lies between the job market and training.

The solutions suggested to us are the same old solutions, the federal government will come and tell the provinces how to do their job in their areas of jurisdiction. Does the minister not realize that this kind of attitude is entirely out of touch with our solutions for the future, for the 21st century, a future in which the idea that "small is beautiful" will be much more relevant than huge structures with national bureaucracies telling the local workforce should adjust?

With this fund, is the minister not going to perpetuate the same vision he has today, so that at a local level, in each community, manpower management committees will have to be devised to try to bring together again all the stakeholders and achieve what this federal system is unable to achieve, assuming of course that it can be done at a local level at least? Could the minister not take another approach, an approach to truly put manpower training back into the hands of the provinces who express such an interest, as Quebec has, where there is a consensus among unions, employers and the education sector.

All stakeholders involved in the manpower sector in Quebec have been saying for a long time that the best way to address the unemployment problem is to ensure a good fit between training, job creation measures and the unemployed who are waiting for a job. So could the minister not reconsider his decision and ensure that people at the grassroots who have the means to find solutions are allowed to do so, that is in Quebec and in the other provinces seeking the same types of responsibilities in the area of manpower training?

[*English*]

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food, Lib.): Mr. Speaker, I am pleased to have the opportunity to respond to the question posed by the hon. member on the human resources investment fund that was recently announced in the budget.

The human resources investment fund will build on the strengths of its initial program components. Those program components include employment programs and services, social development programs in such areas as literacy and participation of disabled persons, the Canada student loans program and youth programs such as Youth Service Canada and Youth Internship.

The terms of the fund's operation will be developed in the coming months in consultation with the provinces with whom the government has already indicated its willingness to work.

The objectives of the fund may in some cases be best achieved through the direct delivery of services by the federal government. In other cases provinces or at times even local authorities may be best placed to achieve our common goals.

Based on what we have learned through the broad consultation process associated with social security reform, the new fund will establish certain principles. It will help create opportunities for people to develop skills, secure employment and adapt to change. The fund will better equip Canadians to keep their jobs in a changing world and provide the skills to find a new job quickly if it becomes necessary.

The new fund will focus on individual and local needs instead of trying to fit people into programs with rigid eligibility criteria. Programs will be tailored to meet the needs of the individual. At the same time the fund will encourage people to take charge of their own lives, establishing mutual responsibility. Individuals, employers and local communities will have as much at stake in the employment initiatives as governments.

The human resources investment fund will strengthen partnerships and create an effective division of responsibility between levels of government as well as among governments and the private sector.

[*Translation*]

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 38, the motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.48 p.m.)